



Building Success
2016-2017 Annual Report

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Introduction

During our first 21 years, we reached many significant milestones. As a company, we will continue to manage our resources effectively with a resolute focus on providing our customers with First Nation hospitality and customer service excellence. We look forward to building on the success of a proven First Nation business model that creates opportunity and value for the First Nation people of Saskatchewan.



Guiding Principles and Business Values

As a First Nation organization employing First Nation people, SIGA has adopted five principles to encourage balance while incorporating the traditional aspects of First Nation culture. While our five guiding principles are presented here in Cree, there are parallel expressions in the Saulteaux, Dene, Lakota, Dakota and Nakota languages.

Tâpwêwin

The principle of Tâpwêwin advocates speaking with precision and accuracy. From a business perspective, this means SIGA must be accountable for our actions and conduct business with integrity, honour and discipline.

Pimâcihowin

Pimâcihowin stresses the importance of "making a living" and is today's realization of our First Nations' treaty relationship. The financial and operational success of SIGA provides the means to exercise a holistic approach to improving the quality of life for our people.

Miyo-wîcêhtowin

The value of getting along with others is embodied in the word Miyo-wîcêhtowin. By conducting our business in a manner that reflects our First Nation hospitality, traditions and customs, we are able to foster good relations with our customers. Guest satisfaction is crucial to our success and our First Nation heritage is a source of competitive advantage.

Miskâsowin

Miskâsowin signifies the value of finding one's sense of origin and belonging. A fundamental goal of SIGA is to bring about this sense in a positive way. This value speaks to instilling a sense of pride in ourselves and our province's First Nation heritage.

Witaskêwin

Living together on the land is the fundamental value conveyed by the word Witaskêwin. SIGA's vision "Sharing Success" talks to the concept of sharing our land or, in today's terms, sharing resources. This value directs us to give back to the communities where we live and work.

Corporate Overview

The Saskatchewan Indian Gaming Authority (SIGA) is the operator of six First Nation casinos in Saskatchewan.

The casinos are conveniently located across the province:

Bear Claw Casino & Hotel White Bear First Nation near Carlyle	Gold Eagle Casino Mosquito First Nation North Battleford	Northern Lights Casino Peter Ballantyne Cree Nation Prince Albert
Dakota Dunes Casino Whitcap Dakota First Nation near Saskatoon	Living Sky Casino Nekaneet First Nation Swift Current	Painted Hand Casino Kahkewistahaw First Nation Yorkton

SIGA provides first-class entertainment to patrons across Saskatchewan through each of our casino destinations. SIGA employs close to 1,800 people including close to 1,200 who are of First Nation ancestry. The entertainment company currently ranks in Saskatchewan's top 30 companies and Canada's top 50 Best Workplaces with annual revenues of \$253.7 million and net profits of \$81.1 million for 2016-2017.

SIGA casinos offer entertainment and excitement, including 2,120 slot machines, 58 live table games, live on-stage entertainment and a full line of food and beverage services. SIGA employees provide a second-to-none customer service experience, rooted in traditional First Nation hospitality and culture.

Under *The First Nations Gaming Act, 1995*, the Federation of Sovereign Indigenous Nations, formerly the Federation of Saskatchewan Indian Nations Inc. (FSIN), created the Saskatchewan Indian Gaming Authority. Since 1996, SIGA has been incorporated under *The Non-Profit Corporation Act, 1995*, of Saskatchewan with all profits returned to our beneficiaries.

Profits generated from SIGA's operations are administered by the Province of Saskatchewan.

- 50 per cent is shared with the First Nations Trust, which is distributed to Saskatchewan First Nation communities;
- 25 per cent is shared with regional Community Development Corporations (CDCs), which are situated in the casino locations and fund local initiatives. The CDCs, which are independent of SIGA, distribute this money to charitable and non-profit community organizations;
- 25 per cent is shared with the provincial government's General Revenue Fund.

As a responsible corporate citizen, SIGA has made a commitment to our customers, employees, stakeholders and suppliers to advocate the responsible use of our gaming products and minimize the potential for harm.

Mission

SIGA will strengthen the lives of First Nation people through employment, economic growth, positive community relations and achieving financial self-reliance. This will be done through the operation of distinctive First Nation gaming destinations that reflect the traditional aspects of our First Nation culture and hospitality.

Vision

SIGA will deliver sustainable net income and employment opportunities to support First Nations' development in Saskatchewan.



Message from the FSIN



"Now entering its 22nd year, SIGA has grown into one of the largest and most successful First Nation employers in Canada, employing close to 1,800 people – 65 per cent of these are First Nation."

The Saskatchewan Indian Gaming Authority (SIGA) has successfully completed another year of operations in 2016-2017, exhibiting the steadfastness of its operations as it continues to generate economic development for Saskatchewan First Nations.

Now entering its 22nd year, SIGA has grown into one of the largest and most successful First Nation employers in Canada, employing close to 1,800 people – 65 per cent of these are First Nation. SIGA was born out of a vision to create jobs for First Nation people and to carry out our Inherent and Treaty Right to self-determination by increasing participation in the economy. This participation is not only through employment but through sustainable net income and the building of relationships, partnerships and community.

Sharing Success lies at the core of SIGA's identity. When the Chiefs of our territories established SIGA as a non-profit, they established the means for our people to achieve financial self-reliance and to create positive impacts in our First Nations and the broader Saskatchewan communities. SIGA does this by creating opportunities – employment, job training and sustainable income – that are benefiting individuals, businesses, communities and First Nations alike.

Thank you to all our leaders and employees who are helping us realize our vision for SIGA. I look forward to celebrating many more years of SIGA's success as it continues to grow and shine as a leading First Nation organization.

On behalf of the Federation of Sovereign Indigenous Nations (FSIN), I am pleased to submit the 2016-2017 Saskatchewan Indian Gaming Authority Inc. annual report ending March 31, 2017.

Ekosi,

A stylized handwritten signature in black ink.

Chief Bobby Cameron
Federation of Sovereign
Indigenous Nations



Message from SIGA's Board Chair



"In October 2016, SIGA hit another milestone. After 21 years in business, we are proud to say SIGA has generated more than \$1 billion in revenue for our beneficiaries."

It has been an honour to once again serve on the Saskatchewan Indian Gaming Authority Board of Directors and, on behalf of the Board, I am pleased to present the 2016-2017 annual report.

SIGA has always been at the leading edge of providing exceptional entertainment and customer service experiences. But more than that, SIGA makes a difference in the lives of First Nation people and in Saskatchewan communities. As stewards of the organization, the Board of Directors works closely with SIGA's management team to execute a strong strategic approach to strengthen the lives of First Nation people through employment, economic growth, positive community relations and achieving financial self-reliance.

In October 2016, SIGA hit another milestone. After 21 years in business, we are proud to say SIGA has generated more than \$1 billion in revenue for our beneficiaries. SIGA's steadfast business performance, even amid some challenging times, exemplifies how the First Nation people of Saskatchewan can achieve great success.

Moving forward, the Board remains committed to conducting our operations strategically, investing in our facilities, our employees and in initiatives that benefit our shareholders and customers.

Thank you to all of the Chiefs of Saskatchewan for creating SIGA as a means to help us realize revenue generation, financial self-reliance and

economic development for our First Nations. Your vision is the reason so many of our people can stand with their heads held high earning a sustainable income for their families. To the SIGA Board of Directors, the management team and all SIGA employees, thank you for the work you do every day to benefit our 74 First Nations and the people of Saskatchewan.

A handwritten signature in dark ink, reading "Reginald Bellerose".

Chief Reginald Bellerose
SIGA Board Chair



Message from the President and CEO



"Through strong ties with loyal patrons and the hard work of our employees, we recorded revenues of \$253.7 million, and a net profit of \$81 million that will be returned to our communities across the province.

From the outside, the Saskatchewan Indian Gaming Authority (SIGA) is a business like any other. And like many other businesses in our industry, we continued to face mature gaming markets along with heightened economic uncertainty in 2016-2017. But SIGA is more than just another entertainment business – we're a non-profit with a mission to strengthen the lives of First Nation people. We do this by maintaining a strict focus on SIGA's long-term sustainability, working diligently to optimize our net income, create employment opportunities and support economic development that benefits our 74 First Nations.

Overall, 2016-2017 was another year of success for SIGA despite the tough economic climate that impacted our business performance. This is owed to our patrons and our people. Through strong ties with loyal patrons and the hard work of our employees, we recorded revenues of \$253.7 million, and a net profit of \$81 million that will be returned

to our communities across the province. Thank you to all of our customers and employees for helping us to Share Success and build stronger communities.

As we head into our 22nd year of operation, we continue to focus on the foundation for our success – exceptional customer service and organizational excellence. Exceptional customer service starts by building strong relationships with our patrons. In 2016-2017, we delivered a first-class customer service experience to each of our patrons who entered our six casino destinations. To develop our business and enhance the visitor experience this year, we increased our food and beverage offerings and introduced new exciting promotions and games across our entertainment facilities, which involved the grand opening of our first High Limit Room. And after nine years since the last launch of a SIGA casino, we are very excited to be planning the opening of our seventh in Lloydminster, Saskatchewan.

For SIGA, organizational excellence starts with our people. We boast a talented, engaged workforce and strong leaders whose ongoing efforts are integral to achieving this. SIGA employs close to 1,800 people, of which 65 per cent are First Nation. I am very proud to report that this year SIGA was designated one of the top 50 companies to work for in the country by *Great Place to Work Canada*. With a focus on creating operational efficiencies and on continuous procedural improvement, we will continue to deliver a superior entertainment experience and First Nation hospitality that only a SIGA casino can.

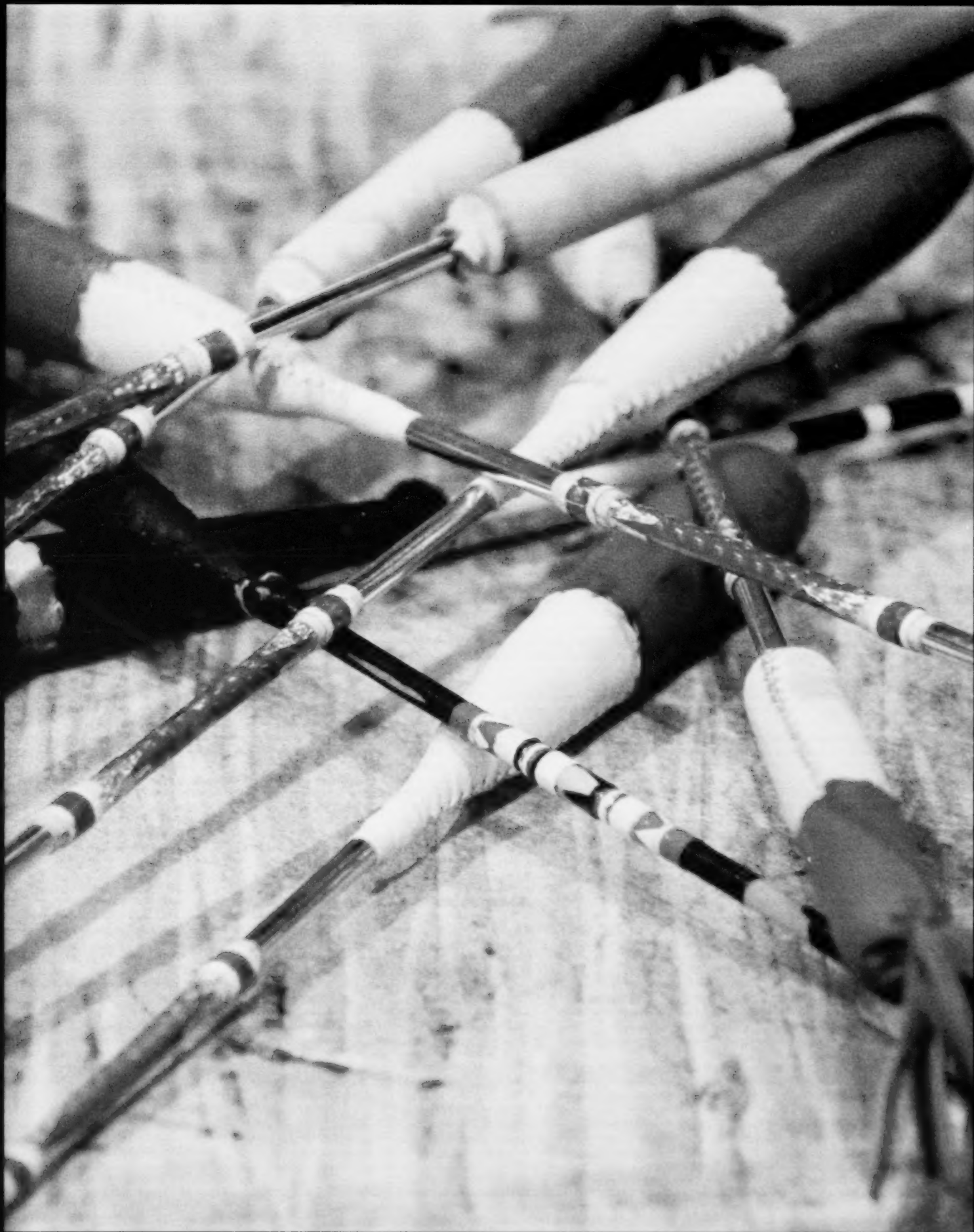
As a non-profit organization, we return 100 per cent of our profits to Saskatchewan communities. In 2016-2017, SIGA invested an additional \$1.25 million into hundreds of local organizations through our Community Investment Program. We take pride in the impact we've been able to make in our communities over the past 21 years. Looking ahead, we will focus on our optimization as a sustainable business so all First Nations and the province of Saskatchewan can continue to share in our success.

We are proud to be a First Nation owned and operated organization, and I would like to thank the Chiefs and Elders for their vision that led to SIGA's inception. On behalf of SIGA's executive team, I thank the Board of Directors for their leadership and strategic governance. With their direction, SIGA has made great strides to achieve our mission of strengthening the lives of First Nation people.

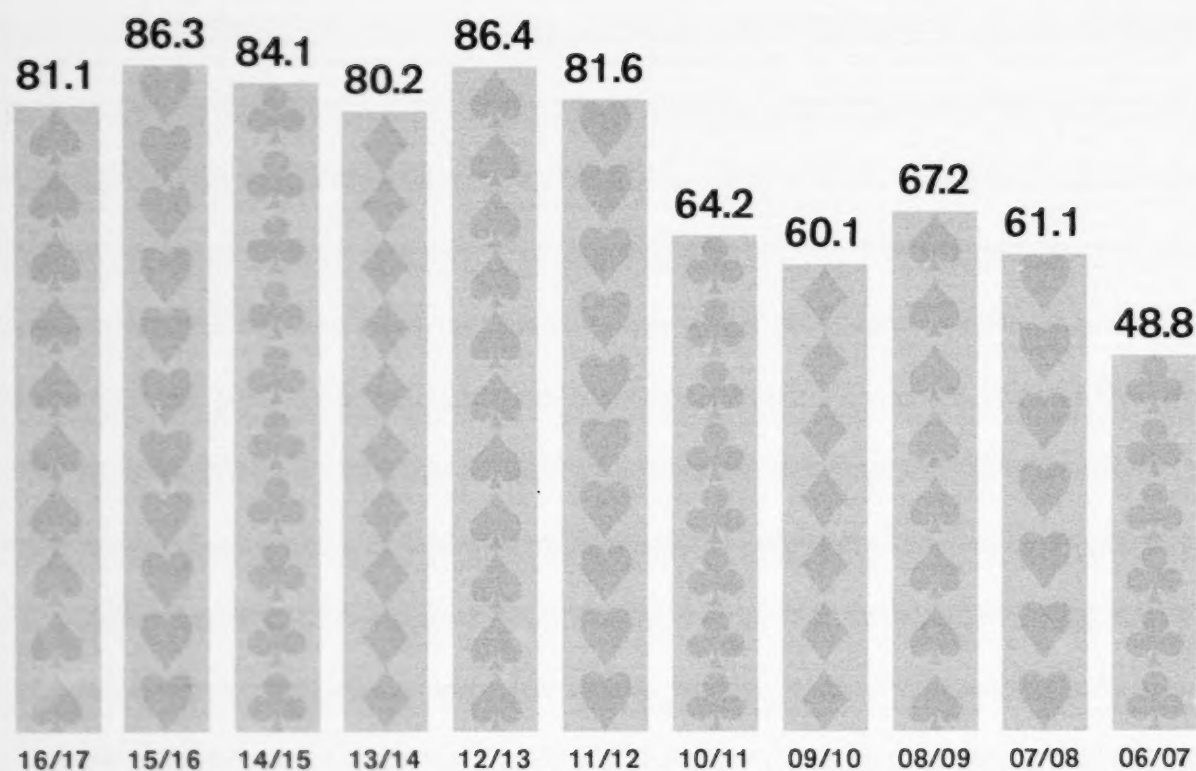
A stylized handwritten signature in dark ink.

Zane Hansen
President and CEO
Saskatchewan Indian Gaming Authority





Annual Profits



\$253.7 million in revenue for the 2016-2017 fiscal year



Profit Distribution

50%

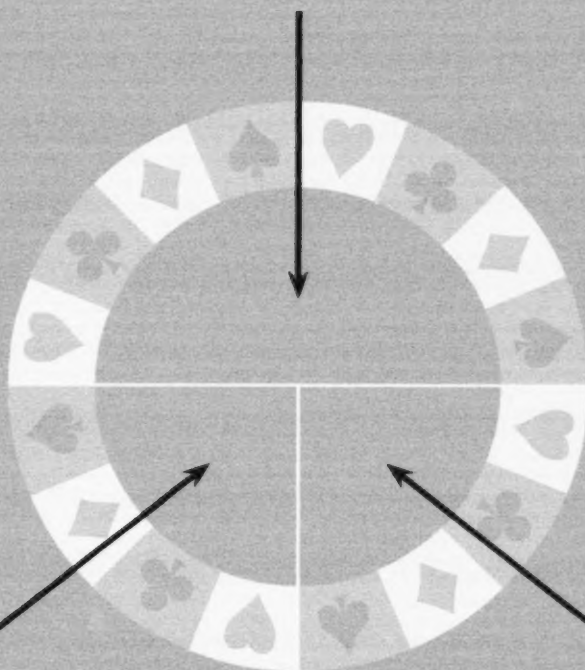
Is shared with the First Nations Trust,
which is distributed to Saskatchewan
First Nation communities

25%

Is shared with the
provincial government's
General Revenue Fund

25%

Is shared with regional
Community Development
Corporations (CDCs),
which are situated in
casino locations and
fund local initiatives



Corporate Social Responsibility



Community Investment

Sharing Success is core to who we are at SIGA. Our guiding principle Witaskêwin directs us to give back to communities where we live and work through sharing our land and sharing our resources.



Sponsorship Highlights

In 2016-2017, SIGA's Community Relations Sponsorship Program invested \$1.25 million into charitable and non-profit organizations in Saskatchewan.

SIGA helps to build and strengthen communities in Saskatchewan by strategically investing in targeted sectors where we can have the most impact. These sectors include education and training, health and well-being, sports and recreation, business and tourism, and arts and culture. SIGA continues to make a difference in the lives of Saskatchewan people by improving the quality of life for those with special needs and for the socially, physically and economically disadvantaged.



\$1.25 million

donated to charitable and non-profit organizations

This past fiscal year, SIGA contributed to hundreds of community organizations and initiatives, including but not limited to:

- Habitat for Humanity Women's Build
- White Buffalo Youth Lodge
- SIGA Rider Game Day
- KidSport
- Saskatchewan Indigenous Cultural Centre
- Ovarian Cancer Canada's Ladyballs Show and Tell
- First Nations University of Canada Pow Wow
- Pinty's Grand Slam of Curling
- FSIN Inherent and Treaty Rights Gathering
- Saskatchewan Indian Institute of Technologies (SIIT) 40th Anniversary Gala
- Literacy for Life
- READ Saskatoon



2016 Synergy 8 Pediatric Ambulance

SIGA contributed \$50,000 over two years towards the purchase of a new pediatric ambulance for the Pediatric Intensive Care Unit and the Neonatal Intensive Care Unit. The previous ambulance, which SIGA also supported in 2009, required replacing. This ambulance will help to transport Saskatchewan's youngest patients within the Saskatoon Health Region and surrounding area. This new pediatric ambulance currently transports one sick child daily from communities all around Saskatoon, with the majority of trips headed to Prince Albert, North Battleford and Lloydminster. The new ambulance takes double the trips of the previous one and this number is expected to rise with the opening of the new Children's Hospital. The majority of patients transported are First Nation children.



3,500

athletes and coaching staff participated
in the 2016 Saskatchewan First Nation
Winter Games

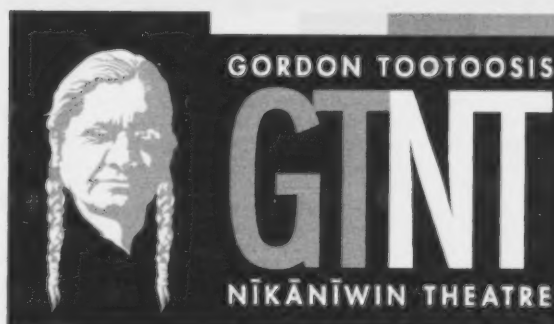
2016 First Nation Winter Games

SIGA has sponsored the Saskatchewan First Nation Summer and Winter Games since their inception in 1996. The Saskatchewan First Nation Winter Games is a major event held every two years and brings together about 3,500 participants in the form of coaches, athletes and managers. The games also draw about 4,000 spectators. This year, Onion Lake Cree Nation, 50 kilometres north of Lloydminster, hosted the games. The Saskatchewan First Nation Winter Games celebrated 40 years of First Nation sports excellence this spring with 74 First Nations and 13 regional teams taking part.

Gordon Tootoosis Nīkāniwin Theatre

SIGA has entered into a five-year partnership with the Gordon Tootoosis Nīkāniwin Theatre (GTNT) worth \$100,000. GTNT is in its 17th year of operations. Its current activities reflect its new mission and values – Indigenous programs, productions and presentations based on cultural tradition, sharing and storytelling. The theatre's plays provide important messaging on current issues impacting First Nation communities.

SIGA is proud to support GTNT as it continues to identify and expand its ongoing provincial programming and outreach. Last year, GTNT went into 26 First Nation communities across Saskatchewan.



Saskatoon Friendship Inn

SIGA is a meal sponsor for the Friendship Inn, which includes providing a monetary donation and volunteers to serve a meal once a month. SIGA's central office departments each sign up for one of the days a year and staff lend a hand over their lunch hour. SIGA is proud to support the Friendship Inn, helping to increase food security for some of Saskatoon's most vulnerable citizens. SIGA has partnered with the Friendship Inn, providing a donation and monthly volunteers, for the past few years.



8,400

(average) meals served by SIGA
volunteers at the Friendship Inn



\$100,000

in scholarships to SIIT students with
the help of a \$50,000 matching
provincial grant

2016 SIGA Scholarship Awards

SIGA's First Nation Scholarship Program was established in 2009 to provide First Nation students the incentive and means to pursue secondary education and continued learning to support the continued success of First Nation employment in Saskatchewan.

Once again this year, SIGA partnered with the Saskatchewan Indian Institute of Technologies (SIIT) to offer \$100,000 in scholarships to SIIT students with the help of a \$50,000 matching grant from the provincial government.

Responsible Gaming Highlights

RGCheck Accreditation

All six SIGA casinos submitted their annual update and successfully maintained their RGCheck accreditation status.

Responsible Gambling Awareness Week

Each year, SIGA casinos actively participate in Responsible Gambling Awareness Week, encouraging patrons to use their GameSense by hosting events and sharing information and resources about responsible gambling.

GameSense

In September 2015, SIGA launched GameSense as the new program for our Responsible Gaming Strategy. In July 2016, we added a web-based application, SIGA's GameSense Info Centre, so patrons can access responsible gambling information anytime, anywhere. GameSense is an innovative, award-winning program designed to promote informed choice and healthy behaviours among patrons.

SIGA's Responsible Gaming Strategy
consists of four key elements:

1

Responsible Gaming
Policies and Procedures

2

Assisting Patrons

3

Game and Venue Features

4

Employee Training



200

SIGA volunteers rode the
Big Bike for the Heart
and Stroke Foundation

SIGA Volunteer Program

Each year, hundreds of SIGA employees invest their time and their passion to volunteer for a number of causes through SIGA's Employee Volunteer Program. Rolled out in 2011 and 2012, the program includes

coordination by dedicated volunteer coordinators and a volunteer committee at each of SIGA's casinos and central offices. In 2016-2017, SIGA's employee enrollment rate reached 28.3 per cent of SIGA's nearly 1,800 employees.

In 2016-2017, SIGA partnered with organizations like Habitat for Humanity, the Salvation Army, Food Banks, Meals on Wheels and community schools to name a few. Through a partnership with Heart and Stroke, about 200 SIGA volunteers rode the Big Bike to raise money and awareness for the foundation. SIGA staff who participate in the Employee Volunteer Program are passionate about helping to build communities and Share Success where they live and work.



28.3%

of SIGA employees belong
to our volunteer program

Our Operations



Operational Highlights

Saskatchewan Indian Gaming Authority (SIGA) casinos provide an engaging guest experience and outstanding entertainment value through industry-leading gaming products and technology, exciting events and promotions and our unique brand of First Nation hospitality and service.

Gaming Highlights

The Saskatchewan Indian Gaming Authority (SIGA) remains committed to providing an exciting casino experience for our patrons by investing in cutting-edge products and exceptional customer service.

Together, SIGA's six casinos feature 2,120 slot machines and 58 live table games.

In 2016-2017, we expanded our product offerings to enhance the customer experience, introducing several exciting new table games, including Crazy4 Poker and Mississippi Stud. We also partnered with International Game Technology (IGT) to launch

the SpinFerno Slot Tournaments across all SIGA casinos. An industry-leading tournament solution, SpinFerno provides a highly interactive and engaging experience for patrons.

SIGA will look to continue this momentum into the next fiscal year with the addition of Blackjack Switch and the Bonus Spin side bet. We will also install jackpot redemption terminals in all six casinos to help reduce wait times for payouts and will procure new slot vendors to help increase the selection of gaming products for our guests.

SIGA's first live games High Limit Room



SIGA launched a new High Limit Room at the Dakota Dunes Casino in 2016 to enthusiastic reception by our patrons. Making up 30 per cent of live table games revenue SIGA-wide, the new High Limit Room has been a huge success, drawing an estimated 600 new players to the casino from as far away as Toronto, Vancouver, Regina, Winnipeg and Calgary.



The High Limit Room
attracted

600

new players from all
over Canada

Food and Beverage

This year was an exciting one as SIGA partnered with coffee giant Tim Hortons and Charley Biggs' Chicken n' Sauce to expand our product lines.

Tim Hortons Kiosk



553,643

total items sold

104,774

baked goods served

9,271

Tim's cards loaded

We opened our first Tim Hortons full service kiosk at Dakota Dunes Casino on July 8, 2016. By the end of this fiscal year, the outlet employed 17 staff members.

On May 2, 2016, SIGA launched our first quick serve Charley Biggs' fried chicken franchise at Dakota Dunes Casino to provide a fast and convenient meal option for patrons. On February 17, 2017, Living Sky Casino opened its own Charley Biggs' Chicken n' Sauce. In the coming year, SIGA plans to install three more Charley Biggs' franchises – at Painted Hand, Bear Claw and Gold Eagle Casinos.

Always keeping the needs of our guests top priority, SIGA's Food and Beverage Departments adopted a new software provider for electronic surveys. The new application allows us greater flexibility in creating and tracking surveys and provides a more user-friendly experience for patrons.

SIGA also rolled out a new cocktail program in the summer of 2016 – it enables the Food and Beverage Departments to tailor drink offerings while providing consistent quality and pricing across all SIGA operations.



\$160.3 million

in jackpots won



\$3.2 billion

wagered



2.2 billion

spins – that's almost
98 spins per second

Lloydminster Casino



We're building more than a casino. We're building success for Lloydminster.

SIGA is proud to be among the many successful First Nation economic enterprises in Saskatchewan. As part of our ongoing mission to strengthen the lives of First Nation people in this province, we are excited to be working with the Border Tribal Council, Little Pine First Nation and our regulatory and community partners to build our seventh casino in Lloydminster, Saskatchewan.

Expected to open in 2018, the proposed Lloydminster casino will be a draw for gaming enthusiasts and visitors.

But it will deliver so much more.

It will provide long-term employment and incomes for more than 140 people at all skill levels.

It will foster regional economic growth by drawing on local suppliers, supporting spin-off businesses and attracting customers to Lloydminster's restaurants and retail outlets.

And, proceeds from the new casino will be reinvested in community priorities and causes through donations and sponsorships.

For 21 years, SIGA has helped to drive tourism and make a positive impact through community investment and volunteering in the regions where we operate – and we look forward to Sharing Success with the community of Lloydminster.

SIGA would like to thank all of those involved in this project – it has taken an extraordinary collective effort to bring us to this point. We look forward to working with all of our partners and local community members as we move toward the grand opening of our new SIGA casino in Lloydminster.

The Impact

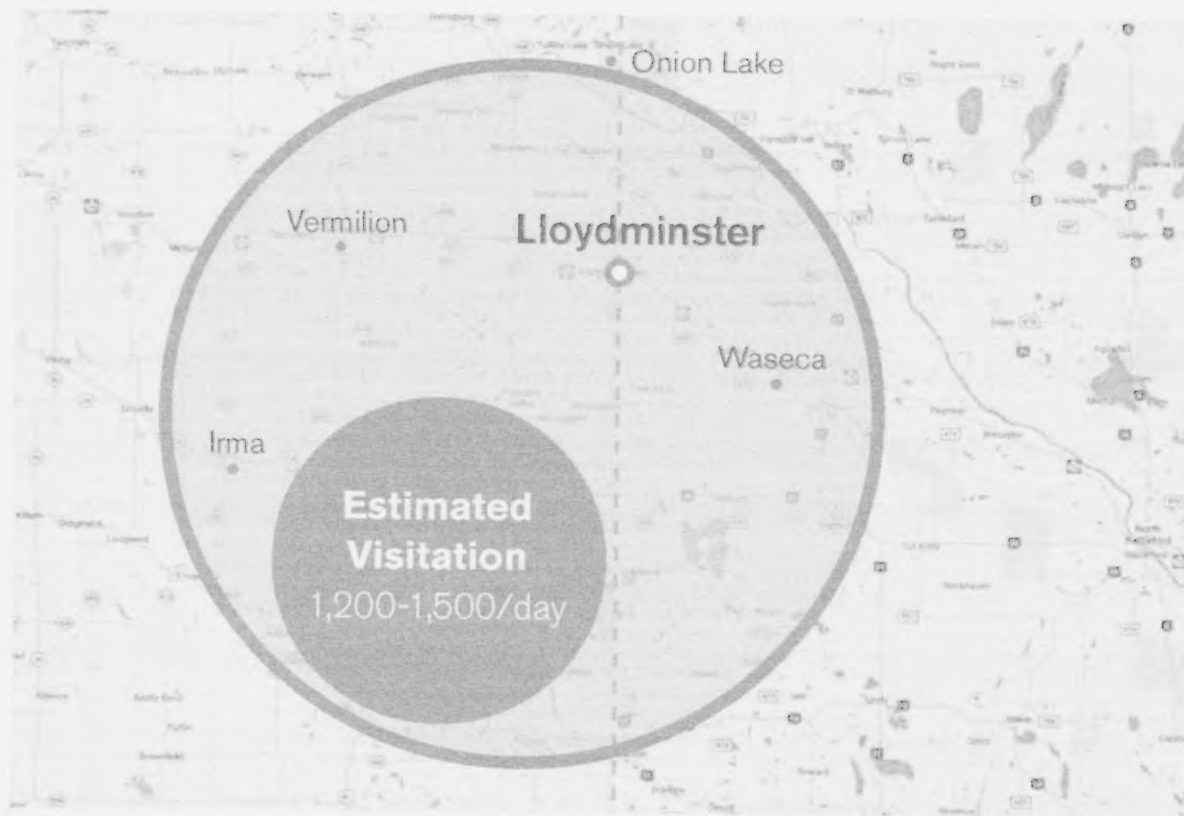
- Local supplier support
- Property taxes to the City
- Donations and sponsorships

The Market

- 80-100 km radius
- 56,448 residents
- Largest urban market without a casino

The Facility

- Destination casino with slots and tables
- 30,000 square feet
- Hotel and gas bar
- Future multi-purpose space for community



140 jobs



\$6.5 million payroll

Marketing, Promotions and Events

The Saskatchewan Indian Gaming Authority continues to heighten our guest experience at SIGA's six casinos through our First Nation hospitality, exciting promotions, prize draws, contests and exceptional entertainment.

During this past year, SIGA proudly:

Welcomed more than
18,000 new Players
Club members

Rewarded members

with special bonusing features
including Uspin, Pirates Gold,
point multipliers and Power
Winners

Launched an **interactive
promotion** that allows
members to simultaneously
play in a tournament right on
their slot machines

Welcomed more than
15,000 new followers on
SIGA social media channels

Entertained more than
27,000 guests at **90** live
entertainment events

Rewarded almost **70,000**
members with exclusive prizes
through more than **350**
draws and **60** promotions at
self-serve Rewards Centres

Refreshed the design of all
SIGA casino websites. Our
websites were visited by more
than **490,000** people

Celebrated wins with more
than **23,000** members at
our exclusive, themed Jackpot
Parties

Partnered with **38** hotels
across the province to
offer valuable Stay and Play
packages

Rewarded more than
57,000 members age 55
and over with **\$1 million**
in free play prizes during
Seniors' Mondays

Launched a virtual horse
racing promotion during
the summer months.
35,000 members won
a total of **\$250,000**
in free slot play

Mailed more than
500,000 unique reward
offers to qualifying members

Wished "Happy Birthday!"
to more than **90,000**
Players Club members,
which included exclusive
offers, parties, cake, gifts
and prize draws

Exciting Promotions

During 2016-2017, SIGA casinos held dozens of thrilling promotions with chances for guests to win fabulous prizes from virtual reality gaming to brand-new vehicles. New this year, many patrons joined our SIGA Social that awards social media followers with an exclusive offer each month.

SIGA's Smoke Signals Progressive continues to prove that any spin can win by introducing three new guests to Saskatchewan's millionaires club. One winner from Saskatoon and another from Prince Albert each won more than a million dollars at Northern Lights Casino; the third winner from Tisdale took home her winnings from Gold Eagle Casino. Since 2014, SIGA's Smoke Signals has awarded more than 20 million in prizes to over 3,000 lucky patrons through its three mystery progressives.

SIGA brought "Virtual Racing," a new electronic promotion within the Bally Casino Management System, to all six casinos in the summer of 2016. Qualifying Players Club members were prompted to pick a horse and watch the action unfold in a rousing virtual horse race. Those who picked the champion horse split the prize pool. In all, participants won \$250,000 in free slot play prizes!

We also launched Bally's "DM Tournament," another electronic slot promotion. On Mondays, qualifying members age 55 and over were welcomed to play in a bonus slot tournament without leaving the comfort of their seats! The top 10 scoring members won cash and free slot play at each hourly tournament.

In October 2016, poker players from all over the province descended on Dakota Dunes Casino for the annual SIGA Poker Championship. At the final table, Waylon Gibson from Saskatoon bested 364 players to take home more than \$38,000, a custom-designed poker bracelet and a seat at the 2017 World Series of Poker in Las Vegas.

Later the same month, SIGA held the province's first World Series of Mahjong circuit event, hosting 64 players all vying for the title of Saskatchewan Mahjong Champion. Etta James from Saskatoon won the trophy and was one of three finalists awarded a trip to Vancouver to compete for a coveted seat at the World Series of Mahjong Championship in Macau.



3

new millionaires
from Smoke Signals wins



1st

Saskatchewan
Mahjong Champion



\$929.9 million in currency inserted into slot machines

Events and Entertainment

In 2016-2017, SIGA hosted fabulous entertainment acts from across the globe, including several artists of international acclaim such as Ziggy Marley, The Mavericks, Corb Lund, Tanya Tucker, Trooper, Big Wreck and Australia's Thunder from Down Under.

This year, we paid special attention to include a variety of cultural events at our casinos. We celebrated the Chinese Moon Festival with the Top Four Heavenly Kings, a pop group from mainland China; and we welcomed Malanka, the Ukrainian New Year, with the Yevshan Ukrainian Folk Ballet Ensemble, The Western Senators and the Ukrainian Old Timers.



We hosted
76
ticketed headliners
this year

Our Casinos



Celebrated
20 years of
operations

bear claw casino & HOTEL

White Bear First Nation

Jonathan Pasap, GM

Bear Claw Casino & Hotel

The Bear Claw Casino & Hotel is SIGA's most historic casino. Originally opened in 1993 on the White Bear First Nation near Carlyle, Saskatchewan, Bear Claw was shut down during a highly contentious and emotional period between First Nations and the provincial government.

It reopened in 1996. The casino is thus named because First Nation people believe the bear is a strong spirit with healing properties and is self-sufficient.

Building Success

Operational Highlights

The casino property is 30,000 square feet, with 135 slot machines and four live games tables. Bear Claw is the first SIGA entertainment destination with a hotel, featuring a comfortable stay with 35 rooms, a fitness facility and continental breakfast. The hotel boasts a "Superb" 9.1 customer testimonial rating on bookings.com. Meanwhile, the casino continues to make facility and operational upgrades in order to provide the ultimate stay and play experience for southeast Saskatchewan.

Events and Entertainment

The casino hosted a number of special events throughout 2016-2017 in its Big Bear room, including acts such as Billy Joel and Elton John tribute shows, "HAG – The Music of Merle Haggard," Cold Hard Cash and "Dreams – the Ultimate Tribute to Fleetwood Mac." The gaming floor stage also came alive to entertain patrons for Bear Claw's 20th anniversary with Ettinger, one of Vancouver's top cover

bands and for New Year's with "Hot Rocks: A Rolling Stones Tribute Show." Bear Claw also hosted "Rock Out The Southeast" featuring the Canadian act and Juno Award winner Kenny Shields and Streetheart and opening act Nick Gilder and Sweeney Todd.



Investing in Our People

The casino employs more than 120 people from the surrounding region – 66 per cent of these are First Nation. Casino management strives to maintain continuous learning and development for employees, providing core training but also additional opportunities such as

webinars and conferences. Bear Claw is currently the pilot site for developing senior operations managers and invites employees to participate in this program as part of SIGA's succession planning. Bear Claw drives its own succession planning by moving employees into

different positions so they diversify their skill sets and gain a different perspective of casino operations. Bear Claw also offers volunteer opportunities for staff to develop communication and other skills they can apply to their roles at SIGA.

Sharing Success

Investing in Community

Volunteerism

Bear Claw's volunteer committee coordinated a variety of initiatives this past year as part of SIGA's employee-driven volunteer program. Casino volunteers supported Recycle Day in August 2016, Earth Day, the Carlyle Food Bank and rode the Big Bike in support of the Heart and Stroke Foundation.

Sponsorship Highlights

- White Bear Education Complex Pow Wow
- White Bear Sports Little Baseball League
- Moose Mountain Snowmobile Trail
- White Bear Ladies Golf Tournament
- 84th Moose Mountain Pro Rodeo
- Canada Day in Carlyle
- Carlyle Airport's 60th Anniversary
- All Folk'd Up Music Festival



Whitecap Dakota First Nation

Gary Daniels, GM

Dakota Dunes Casino

Opened in 2007, Dakota Dunes Casino is SIGA's most expansive entertainment destination.

Resting upon a hilltop at the height of the South Saskatchewan River Valley Basin on Whitecap Dakota First Nation, Dakota Dunes overlooks the natural rolling hills, wild grass and sand dunes captured in its award-winning design.

Building Success

Operational Highlights

The casino property is 86,500 square feet, with 620 slot machines, 21 table games, and a 10-station Touchbet Electronic Roulette and Mini-Baccarat game. The casino features a large event centre for conventions, banquets and other special

events, the full-service Arrowhead Grill restaurant and a new High Limit Room that provides personalized service and amenities for VIP players.

Events and Entertainment

The casino hosted a number of special events throughout 2016-2017, including featured performances from Thunder from Down Under, Tanya Tucker, The Mavericks, Bill Anderson and Trooper.



DAKOTA DUNES CASINO



Investing in Our People

The casino employs more than 420 people from the surrounding region – 74 per cent of these are First Nation. The Dakota Dunes' management team maintains a continued focus on

employee development, providing ongoing educational opportunities for staff. In 2016-2017, Dakota Dunes employees participated in 2,221 training and learning opportunities. The Human Resources

team is committed to fostering a highly engaged team, working together to create an inclusive and vibrant workplace culture.

Sharing Success

Investing in Community

Volunteerism

Dakota Dunes' volunteer committee coordinated a variety of initiatives this past year as part of SIGA's employee-driven volunteer program. Casino volunteers once again adopted St. Mary's Wellness and Education Centre – here they served Christmas dinner and delivered toys to students. Employees also served lunch at Saskatoon's Friendship Inn and donated a bus full of toys and necessities to the Salvation Army.

Sponsorship Highlights

- Peters and Pilon Celebrity Golf Tournament in support of KidSport
- Ronald McDonald House Ladies Golf Classic
- Whitecap Dakota Days
- World Indigenous Business Forum
- City-Wide Food Drive
- Heart and Stroke Hockey Heroes Weekend 2016
- Saskatoon Two-Spirit Pride in support of Saskatoon Diversity Network
- 24th annual Veterans Traditional Pow Wow – Muskeg Lake Cree Nation



Celebrated
20 years of
operations

Mosquito First Nation

Kelly Atcheynum, GM

Gold Eagle Casino

Opened in 1996, the Gold Eagle Casino is a top entertainment destination for west central Saskatchewan, conveniently situated along the Yellowhead Highway in North Battleford. To First Nation people, the eagle is a sacred bird of the skies. The Gold Eagle for which the casino is named symbolizes courage, strength and bravery.

Building Success

Operational Highlights

The Gold Eagle Casino is 37,772 square feet with 335 slot machines and eight live table games making up its large gaming floor. The casino features a deli, gaming floor bar, an event centre capable of seating up to 550 patrons and the Kihw Restaurant. The restaurant continues to be recognized as a premier dining establishment in the Battlefords –

rating number 1 of 49 Battlefords' restaurants on TripAdvisor.

In 2016-2017, the casino added a 1,054 square foot multi-purpose room adjacent to the gaming floor and a porte cochère over its entrance, completed an expansion of the 5,000 square foot smoking room and finished renovations to its kitchen to enhance the guest experience.

Events and Entertainment

The casino's event centre hosted a number of special events in 2016-2017, including meetings, conferences, weddings and performances. This included entertainment shows featuring The Trews, The Emeralds, Hag, Marly Stuart, Trooper, Ziggy Marley, The Mavericks, Corb Lund, One Bad Son, Big Wreck and many more.



Investing in Our People

Gold Eagle Casino continues to be one of the largest employers in the Battlefords, employing more than 310 people.

In 2016-2017, Gold Eagle employees participated in 1,775 learning opportunities and 46 on-site training events. These have helped increase productivity, retain

employees and build skills that enhance the customer experience. Gold Eagle continues to support a healthy work-life balance through its Health and Wellness programs, which encourage employees to focus on key health behaviours such as increasing physical activity, improving

eating habits, reducing stress and living a balanced lifestyle. Gold Eagle also continues to build work placement partnerships with local First Nation and non-First Nation institutions, such as BATC Success Centre and the North West Regional College.

Sharing Success

Investing in Community

Volunteerism

Gold Eagle's volunteer committee coordinated a variety of initiatives this past year as part of SIGA's employee-driven volunteer program. Contributing more than 550 volunteer hours in 2016-2017, Gold Eagle volunteers supported Meals on Wheels, Midwest Food Resources, the Battlefords Indian and Métis Friendship Centre, the Battlefords Humane Society, Cornerstone Soup Kitchen, Operation

Red Nose and the City of North Battleford's annual community clean-up.

Each year, Gold Eagle supports the Red Cross Pink Day, actively donates blood, and donates to the Safe Grad functions for John Paul II Collegiate, North Battleford Comprehensive High School and Sakewew High School.

Sponsorship Highlights

- North Battleford Boys and Girls Club
- North Battleford North Stars
- Battlefords Sexual Assault Centre
- Battlefords Union Hospital Foundation
- Battlefords Indian and Métis Friendship Centre
- Northwest Territorial Days
- Meadow Lake Rodeo
- Bully Free Battlefords
- Battlefords Kiwanis Music Festival
- Ducks Unlimited



Nekaneet First Nation

Trevor Marion, GM

Living Sky Casino

Opened in 2008, Living Sky Casino is a top entertainment destination for the people of southwest Saskatchewan, located along the Trans-Canada Highway in Swift Current.

The name 'Living Sky' relates to the northern lights and stars and their connection to past generations of First Nation ancestry.

Building Success

Operational Highlights

The Living Sky Casino is 60,000 square feet, with 200 slot machines and five table games on a circular First Nation-themed gaming floor. The casino features the Horizons Restaurant and the Sky Centre, a state-of-the-art event centre that offers full banquet service, a variety of room configurations for special events, and can transform into a theatre seating 565 guests.

In February 2017, Living Sky launched a Charley Biggs' Chicken n' Sauce franchise to expand food offerings for patrons. In the first two months of operations, the casino's gaming floor food revenue increased by 400 per cent.

Events and Entertainment

The casino hosts a wide array of entertainment events and takes great pride in hosting local theatre productions,

choirs and dance recitals. Featured performances in 2016-2017 included Tanya Tucker, Charlie Major, The Sheepdogs, Comedian Greg Morton, Kim Mitchell, The Million Dollar Quartet, "This is Tom Jones" Dinner Show and keynote dinner speakers Ted Noland and Sebastian Clovis. Living Sky also offered free live entertainment from the lounge stage to patrons on the gaming floor.



Investing in Our People

Living Sky Casino employs more than 190 people from the surrounding region. The casino provides ongoing training and development opportunities that add

value to the local economy and that teach employees knowledge and skills to grow and excel within the organization. This training aligns with SIGA's learning and

development strategies which include: core training, customer service skills, and an emphasis on career planning and leadership development.

Sharing Success

Investing in Community

Volunteerism

Living Sky's volunteer committee coordinated a variety of initiatives this past year as part of SIGA's employee-driven volunteer program. In 2016-2017, casino volunteers spent 743.5 hours in the community to support Meals on Wheels, The Canadian Cowboy Association (CCA) Rodeo Finals, Special Olympics, Swift Current "Let's Walk the Talk" Truth and Reconciliation awareness event, The Children's Wish Broncos Hockey Game,

The Salvation Army Food Hamper Drive and Build and the Dr. Noble Irwin Foundation's annual "Your Family's Health Radiothon."

Sponsorship Highlights

- 2016 Canadian Cowboy Association (CCA) Rodeo Finals
- 2016 Swift Current Frontier Days
- 2016 Thundering Hills Pow Wow – Nekaneet First Nation

- Dr. Noble Irwin Foundation
- National Aboriginal Days
- Nakota Oyate Community Cultural Days
- Swift Current United Way's Gala of Hope
- Swift Current Air Show
- Piapot First Nation Pow Wow
- Aboriginal Youth Healthy Lifestyle Program

Celebrated
20 years of
operations



Peter Ballantyne Cree Nation

Richard Ahenakew, GM

Northern Lights Casino

Opened in 1996, Northern Lights Casino is a tourist and entertainment destination located in Prince Albert, the 'Gateway to the North and South.' Dancing and lighting up the evening sky with coloured brilliance, the northern lights that are the casino's namesake are thought to be the spirits of past generations – departed relatives and friends dancing in the night, revelling in celebration.

Building Success

Operational Highlights

The casino property is 46,300 square feet, with 590 slot machines and 10 live games tables. The casino interior features traditional northern décor and a unique northern lights artwork display. Northern Lights is connected to the Prince Albert Inn via skywalk and provides a daily shuttle service. The casino offers a wide array of food and beverage options, including local products at its North Star Restaurant, fresh sandwiches at the

gaming floor deli and complimentary coffee and soda at its new self-serve station.

Northern Lights is proud of its environmental initiatives over the past year, which collectively helped the casino save close to \$40,000: increased recycling, more LED lighting, low-flow sinks, environmentally friendly cleaning products and more.

Events and Entertainment

Northern Lights' Starlight Lounge on the upper level provides live weekend music for casino patrons. The casino hosted monthly dinner shows and mid-week karaoke events, a pair of tributes featuring Tom Jones and the Beatles, and the casino's third annual 'So You Think You Can Sing' Contest with a grand prize of \$5,000 for the Mosaic Recording Studio.



Investing in Our People

The casino employs close to 400 people and is one of Prince Albert's top three employers. Northern Lights supports employee development through many in-house training programs and provides nationally recognized courses Service Best and Serve it Right through the

Saskatchewan Tourism Education Council. Each year, the casino hires two to three summer students, providing work experience and opportunities for scholarships and ambassador roles.

Northern Lights also partners with Work Safe Saskatchewan as part of Mission

Zero, a campaign to increase the profile of health, safety and injury prevention in the workplace. In March 2017, Northern Lights passed the Saskatchewan Workers Compensation Board safety audit with a noteworthy 83 per cent.

Sharing Success

Investing in Community

Volunteerism

Northern Lights' volunteer committee coordinated a variety of initiatives this past year as part of SIGA's employee-driven volunteer program. Casino volunteers hosted a Relay for Life barbecue to fundraise for the Canadian Cancer Society and partnered with the Prince Albert Food Bank and Prince Albert Grand Council to serve holiday meals. Once again this year, volunteers supported the Red Cross Pink Day anti-bullying campaign and the Heart and Stroke Big Bike program, dedicating

this year's ride to the memory of former Security staff member Dwayne Lafond.

Sponsorship Highlights

- Prince Albert Children's Haven
- Mont St Joseph Senior Care Home
- Two Miles for Mary Senior Transportation
- Big Brothers Big Sisters
- Prince Albert Chamber of Commerce
- Army, Navy and Air Force Veterans
- Victoria Hospital Foundation
- FSIN Youth Volleyball Championships

- Friends of Batoche Relay Days
- La Ronge Native Women's Council's Piwapan "Walk a Mile in Her Shoes" fundraiser
- 2016 Prince Albert Tapestrama Cultural Festival
- St Mary's High School Teen-Infant Program
- Prince Albert Indian and Métis Friendship Centre

Celebrated
20 years of
operations



Kahkewistahaw First Nation

Charles Ryder, GM

Painted Hand Casino

Opened in 1996 and located in Yorkton, the Painted Hand Casino is a top entertainment destination for east central Saskatchewan. The casino's name honours the tradition of the red painted hand, which represents courage and honour. To demonstrate their superiority, young warriors would charge their horses into opposing forces, touching and imprinting their painted hands on the enemy or the flanks of their war ponies.

Building Success

Operational Highlights

The Painted Hand Casino is 43,000 square feet, with 250 slot machines, three blackjack tables, one poker table, one Mississippi Stud table and roulette. Painted Hand has two designated smoking rooms – one that doubles as a High Limit Slot Room and a Smokers Den that houses a variety of denomination slot machines. The casino features a number of first-rate amenities, including the Legends Restaurant, 4 Aces

Saloon Bar and Lounge area and an event centre, which hosts a diverse range of events from concerts, Christmas parties, private functions and casino-run events for valued patrons.

In 2016-2017, the event centre received a major face-lift, revitalizing the space to create more memorable experiences for guests.

Events and Entertainment

Painted Hand Casino hosted a number of fabulous entertainment acts throughout 2016-2017, including One Bad Son, the Zayshleys, Trick Ryder, Trooper, Charlie Major and Don Burnstick. The casino also held VIP appreciation events, patron birthday parties and business appreciation meet and greets. In June, Painted Hand held its 16th annual pow wow, bringing people from near and far to participate, spectate and celebrate the song and dance of First Nation culture.



Investing in Our People

The Painted Hand Casino is one of Yorkton's largest employers, with more than 200 employees. Painted Hand takes pride in the fact that more than 97 per cent of its employees have completed core training in hospitality and customer service. Casino

management offers additional training and learning opportunities to equip staff to provide the excellent First Nation hospitality for which SIGA is known. Painted Hand encourages and supports employees that take the initiative to continue their

post-secondary education. We also invest in our people through a focus on succession planning, which includes promotions, acting appointments and work status changes.

Sharing Success

Investing in Community

Volunteerism

Painted Hand Casino's volunteer committee coordinated a variety of initiatives this past year as part of SIGA's employee-driven volunteer program. Volunteers supported the third annual Co-op Pumpkin Walk, helping to ensure children could celebrate Halloween safely. Employee volunteers also devoted their time to support the Soup Haven, Heart and Stroke Big Bike, the SIGN Family

Support Program's Christmas party and the Yorkton Friendship Centre Christmas party.

Sponsorship Highlights

- Yorkton Exhibition Summer Fair
- Yorkton Film Festival
- Peepeekisis 9th Annual Pow Wow
- Yorkton Friendship Centre
- Working Together Career Fair
- 2016 Celebrate Success Business Awards

- Charity Road Race
- The 30th Annual Treaty Four Gathering
- Heart and Stroke Foundation Big Bike
- 2nd Annual Fishing Lake Youth Golf Tournament
- Star Blanket Cree Nation Round Dance
- Yorkton First Nation Knowledge Program
- Yorkton Tribal Council Youth Gala

Building Success

Building a Better Future for Our People



Strategic Plan Overview

SIGA's strategic plan focuses on developing an intimate relationship with customers and offering products and services to those customers that increase revenue, income and employment.

Using the Balanced Scorecard methodology, SIGA has developed strategic objectives and strategic initiatives. For each strategic objective, performance measures and targets have been established for a rolling five-year period. For strategic initiatives, SIGA has designated a member of the executive team to act as project

sponsor and milestones have been established to track the progress of the initiatives.

SIGA has developed its strategic plan using the Balanced Scorecard model to look at our business from the viewpoint of owners and customers to determine what products and services we must

offer and what key business processes satisfy customer needs. The model allows SIGA to demonstrate how our employees are supported to meet customer needs by the organization's investments in developmental educational programs and technology.

Shareholder Perspective

What are the outcomes expected by our owners?

Strategic Objectives	Performance Indicators	Progress/Results/Measure
Optimize Net Income	Revenue Net income	\$253.7 million \$81.1 million
Grow and Develop First Nation Employment	Total number of First Nation Employees	SIGA continues to be a leader in engaging, growing and developing a First Nation workforce – 65.42 per cent of our employee base is First Nation (1,176) and 59.43 per cent of managers are First Nation (63).
Support First Nation Economic Development	Total Payments to First Nation Companies	\$22.3 million

Customer Perspective

What are our customers looking for?

Our strategy is "customer intimacy."

Strategic Objectives	Performance Indicators	Progress/Results/Measure
Entertainment and Hospitality Experience	Become the first choice entertainment destination for customers by offering unique entertainment options in the markets we serve.	Large segment of population rate casino as top entertainment destination in town. Visitors agree they would recommend the casinos to others. There was a high percentage of adults in local markets who have visited the casino once in the last year.
Recognition and Appreciation	Value the contribution of every customer through personal interaction. Guest satisfaction target 4.29 out of 5.	Guest satisfaction with friendliness of staff was rated very high. Rated very high that guests are recognized and appreciated by staff. Increased Players Club membership. Overall guest satisfaction was 4.29 out of 5.
Quality Value-Priced Dining	Be recognized for providing consistent, high-quality dining options that meet the expectations of each market segment we serve and are rated by our customers as providing exceptional value for the price charged. Target 4.3 out of 5.	Guest surveys indicated a very high satisfaction level with quality of food rated 4.3 out of 5.
Memorable Facilities and Convenient Services	Be recognized as the highest-quality entertainment facility in each market in which we operate by incorporating customer convenience into the services we provide. Guest very satisfied. Atmosphere target 4.0 out of 5.	Guest satisfaction with overall atmosphere rated very high at 4.01 out of 5.

Internal Perspective

What services do we need to provide to excel?

To achieve our desired outputs, SIGA will focus on several business process enhancements that are grouped in three primary themes: Customer Service Excellence, Grow and Develop the Business and Operational Excellence.

	Strategic Objectives	Performance Indicators	Progress/Results/Measure
Customer Service Excellence	Tend to VIPs	Recognize the importance of customers with a high value through segmented pricing promotion and customer service standards.	Target exceeded via numerous VIP appreciation events, which included dinner shows, live entertainment and special events.
	Exciting Entertainment	Create a winning atmosphere by celebrating wins and engaging customers with exciting and innovative promotions and events.	Two annual SIGA-wide events (poker and slot tournament). Welcomed more than 18,000 new Players Club members. Live entertainment and a variety of promotions and activities continue to draw customer participation.
	Know the Customer	Work continues to develop psychographic and demographic profiles of our customers. This helps us better serve them. This data is analyzed and integrated as a regular part of our decision-making process.	Achieved through bi-annual customer telephone surveys. Improving analytics through Bally Business Intelligence tools, enabling targeted promotions and loyalty rewards.
	Customer Service Technology	Use technology to enhance the delivery of customer service.	Used Bally Elite Bonusing Suite (EBS) electronic marketing tools: Uspin, Virtual Racing, DM Tournament, Mad Multipliers and Power Winners.
	New Product Development	Research and develop gaming-related products and services that will add value to our customers.	Introduced this year: • Slot Management • Tim Hortons • High Limit Room
Organizational Excellence	Corporate Social Responsibility (CSR)	Responsible Gambling Awareness.	Meet or exceed targets for public opinion polling.
	Operational Efficiency	Increase efficiency of key business processes to optimize productivity and income.	Meet targets to reduce salaries and benefits. Budget by controlling variable labour.

Learning and Growth

The most important resource is our people.

One of SIGA's founding mandates is to grow and develop First Nation people. SIGA is committed to the career, training and development of our employees and we believe this is a critical factor in achieving our strategic business goals and objectives.

Strategic Objectives	Performance Indicators	Progress/Results/Measure
Talented Workforce	Employees who have completed core training. Target 80 per cent.	Investing in our employees is a priority for SIGA. Our Core Training Program is one way we invest in our employees, where all employees take required training within their first year of employment. SIGA exceeded an aggressive core training target, achieving a 92 per cent core training completion rate in 2016-2017. Complementary to this, employees have said that SIGA enables work through tools, resources and procedures they need to be as productive as possible on the job. Seventy-three per cent of employees said learning and development is strongly supported at SIGA on the employee engagement surveys done throughout the year.
Leadership Development	Developing our leaders to motivate and inspire teams to accomplish SIGA's vision and mission as an organization.	Eighty-five of SIGA's leaders (supervisors and managers) have participated in SIGA's in-house-built Leadership Development Program over the fiscal year. SIGA's Leadership Development Program consists of five modules with a sixth module "SIGA Business Acumen" being developed in the new fiscal year. Throughout the year, there were more than 30 permanent internal promotions, thousands of hours of Temporary Performance of Higher Duties (TPHD) and numerous acting appointments. These provide employees with opportunities to grow and develop their leadership skills.
Engaged Workforce	Employee satisfaction and engagement.	Growing SIGA's reputation as an employer of first choice and a great place to work while ensuring competitive pay, benefits, a safe workplace and rich opportunities for learning and development are key areas of focus. Health and wellness programming, including fairs and workshops, continue to promote healthy lifestyles among our employees and their families. SIGA was named to the Top 50 Employers list of <i>Best Workplaces in Canada</i>; this is a testament to the positive environment where employees appreciate the flexibility in maintaining work-life balance. Support for SIGA's guiding principles, leadership and fair performance objectives contributed to high levels of employee engagement.
	Employee volunteerism. Target 29 per cent of all SIGA employees.	SIGA had high levels of employee volunteer participation at 28.3 per cent. We have developed volunteer partnerships with local charitable organizations in all communities where we operate (at least two per community).

Risk Management

At SIGA, business risk is defined as the degree of exposure associated with the achievement of key strategic financial, organizational and process objectives. Principal risks and uncertainties that could affect SIGA's future business results going forward are of primary concern.

Risk Management Governance Structure

Although the SIGA Board is ultimately accountable for overseeing risk management within SIGA, as a whole it has assignment responsibility to the Audit and Finance Committee to oversee SIGA's risk assessment and risk management processes. SIGA senior executives are responsible for ensuring key business risks are identified, defined and prioritized. Executive risk owners are engaged and charged with risk mitigation within limits established by the SIGA Board of Directors. These data are compiled in a corporate risk profile that is reported to the Audit and Finance Committee on a quarterly basis. Results of the quarterly risk and control assessment are incorporated into the strategic planning process.

There are a range of factors that may affect SIGA's results. Principal risks that could negatively affect our results and performance include:

Strategic Risk

Risk Reputation

We recognize damage to reputation as the most severe risk SIGA faces. Our efforts to mitigate reputation risks include continual building of goodwill by effective communication with stakeholders, commitment to sustainability, transparency, leading-edge corporate governance and best practices.

Economic Slowdown

Changes in the economy impact the amount of disposable income people have to spend on entertainment, resulting in reduced gaming revenues. SIGA monitors the external environment and the individual performance of each property.

Financial Risks

Liquidity Risk

The risk that SIGA is unable to meet our financial commitments as they become due or can only do so at excessive costs. SIGA manages our cash resources based on financial forecast and anticipates cash flows.

Theft of Assets

We recognize the extreme importance of maintaining strong controls over the safeguarding of cash and cash equivalents as specific to the gaming industry. SIGA manages these risks through the design of internal controls to mitigate such occurrences.

Organizational and Process Risks

Risk with Loss of Key Personnel

SIGA recognizes the impact to the organization should there be a loss of key personnel. In order to mitigate the impact of such a loss, executive and senior management succession plans are in place.

Information Risks

SIGA recognizes information for decision making requires accurate, complete and timely reporting of financial and operational performance. SIGA manages these risks through continual evaluation of internal controls over financial reporting for new and existing systems.

Regulator Risks

SIGA operates in a highly regulated environment. In addition to general operating regulatory requirements, SIGA is required to comply with Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) guidelines.

Financials



Independent Auditor's Report

To the members of the Saskatchewan Indian Gaming Authority Inc.

We have audited the accompanying financial statements of the Saskatchewan Indian Gaming Authority Inc., which comprise the statement of financial position as at March 31, 2017, and the statement of comprehensive income, statement of changes in deficit and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Saskatchewan Indian Gaming Authority Inc. as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte LLP

Chartered Professional Accountants,
Licensed Professional Accountants
June 2, 2017
Saskatoon, Saskatchewan



Statement of Financial Position

As at March 31, 2017	2017	2016
Current Assets		
Cash and cash equivalents	\$ 21,026,299	\$ 22,113,742
Short-term investments (Note 4)	43,982,500	41,080,000
Accounts receivable (Note 5)	2,889,962	2,454,511
Inventories (Note 6)	682,398	626,566
Prepays	1,988,397	2,416,873
	70,569,556	68,691,692
Intangible Assets (Note 7)	1,470	128,262
Property and Equipment (Note 8)	102,877,860	108,458,217
	\$ 173,448,886	\$ 177,278,171
Current Liabilities		
Due to Saskatchewan Liquor and Gaming Authority (Note 9)	\$ 60,952,825	\$ 57,571,703
Accounts payable and accrued liabilities (Note 10)	20,738,167	19,481,422
Current portion of long-term debt (Note 11)	5,401,812	5,402,812
Current portion of finance lease obligation (Note 12)	3,356,362	3,076,821
	90,449,166	85,532,758
Long-Term Debt (Note 11)	30,975,517	36,377,329
Finance Lease Obligation (Note 12)	52,024,203	55,368,084
Interest Rate Swap Liability (Note 11)	3,688,525	5,443,107
	177,137,411	182,721,278
Deficit Resulting from Unrealized Losses on Interest Rate Swaps	(3,688,525)	(5,443,107)
	\$ 173,448,886	\$ 177,278,171

See accompanying notes to the financial statements

Approved by the Board

B. Bryant

Director

R. L. L. L.

Director

Statement of Comprehensive Income

Year Ended March 31, 2017	2017	2016
Revenue (Note 14)	\$ 253,659,717	\$ 258,378,839
Salaries and benefits expense	78,936,237	78,187,701
Materials and consumables (Note 15)	19,613,898	20,486,185
Slot machine expenses	19,727,267	18,666,873
Advertising	12,883,750	13,207,849
Depreciation and amortization expenses	10,865,135	11,067,095
Building rent and occupancy	10,201,514	10,159,146
Finance costs (Note 17)	7,588,894	8,052,937
Other expenses (Note 16)	6,877,860	6,318,239
Payment to Indigenous Gaming Regulators Inc. (Note 23)	3,300,000	3,300,000
Payment to Saskatoon Prairieland Park Corporation (Note 23)	2,600,004	2,600,004
	172,594,559	172,046,029
Income Due to Saskatchewan Liquor and Gaming Authority (Note 1)	81,065,158	86,332,810
Unrealized gain on interest rate swaps (Note 11)	1,754,582	788,443
Total Comprehensive Income for the Year Before Distribution to Saskatchewan Liquor and Gaming Authority (Note 1)	\$ 82,819,740	\$ 87,121,253

See accompanying notes to the financial statements



Statement of Changes in Deficit

Year Ended March 31, 2017	2017	2016
Deficit		
Balance, beginning of year	\$ (5,443,107)	\$ (6,231,550)
Total comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority (Note 1)	82,819,740	87,121,253
Distribution payable to Saskatchewan Liquor and Gaming Authority (Note 9)	(81,065,158)	(86,332,810)
Balance, end of year	\$ (3,688,525)	\$ (5,443,107)

See accompanying notes to the financial statements

Statement of Cash Flows

Year Ended March 31, 2017	2017	2016
Cash Flows from (Used in) Operating Activities		
Total comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority	\$ 82,819,740	\$ 87,121,253
Adjustments for:		
Depreciation and amortization	10,865,135	11,067,095
Finance costs	7,588,894	8,052,937
Unrealized gain on interest rate swaps	(1,754,582)	(788,443)
Change in non-cash working capital:		
Accounts receivable	(435,451)	(314,386)
Inventories	(55,832)	(13,720)
Prepays	428,476	16,339
Accounts payable and accrued liabilities	1,256,745	768,871
Payments to Saskatchewan Liquor and Gaming Authority (Note 9)	(77,684,036)	(90,179,946)
	<u>23,029,089</u>	<u>15,730,000</u>
Cash Flows from (Used in) Investing Activities		
Purchase of intangible assets	(14,406)	(295,470)
Purchase of property and equipment	(5,143,580)	(6,932,913)
Purchase of short-term investments	(137,095,752)	(222,514,863)
Proceeds on disposal of short-term investments	134,193,252	227,717,363
	<u>(8,060,486)</u>	<u>(2,025,883)</u>
Cash Flows Used in Financing Activities		
Interest paid	(7,588,894)	(8,052,937)
Repayment of finance lease obligation	(3,064,340)	(2,697,789)
Repayment of long-term debt	(5,402,812)	(5,717,606)
	<u>(16,056,046)</u>	<u>(16,468,332)</u>
Decrease in Cash Position	(1,087,443)	(2,764,215)
Cash and Cash Equivalents, Beginning of Year	22,113,742	24,877,957
Cash and Cash Equivalents, End of Year	<u>\$ 21,026,299</u>	<u>\$ 22,113,742</u>

See accompanying notes to the financial statements

Notes to the Financial Statements

Year Ended March 31, 2017

1 General Information

Saskatchewan Indian Gaming Authority Inc. ("SIGA") is incorporated under the *Non-profit Corporations Act, 1995* of Saskatchewan as a Charitable Corporation. Class A Memberships in SIGA are owned by the Federation of Sovereign Indigenous Nations ("FSIN") and each of ten Tribal Councils in Saskatchewan that are recognized by the Saskatchewan Indian Gaming Commission of the FSIN, as well as one independent member. The Government of Saskatchewan and the FSIN completed a Framework Agreement in 2002 that authorizes SIGA to operate casinos. SIGA operates six casinos in accordance with the 2002 Casino Operating Agreement ("Agreement") with Saskatchewan Liquor and Gaming Authority ("SLGA"). SLGA is responsible for the overall conduct and management of the slot machines in those casinos as required under *The Criminal Code of Canada*. Under the Agreement, SIGA is entitled to withhold the casinos' operating expenses, incurred in accordance with the operating policies and directives approved by SLGA, from slot machine revenues. SIGA is required to deposit the remainder into a trust account for SLGA in accordance with the procedures and formulas specified in the Agreement as outlined below. Under the Agreement, SIGA is entitled to recover, in any year, any net loss from the operation of licensed table games and ancillary operations from the net income earned from the operation of slot machines. The Agreement provides for SIGA to use any net income from the operation of licensed table games for charitable or religious objects or purposes. The Agreement expires on June 10, 2027.

The Agreement also provides for SIGA to remit to SLGA the net income from the operation of the slot machines in the SIGA casinos. More specifically, net income from the operation of slot machines is remitted to SLGA in accordance with a formula as defined in the Agreement. This formula provides for SIGA to remit to SLGA, on a weekly basis, one-half of the amount by which actual slot machine gaming revenue exceeds one-fifty-second of SIGA's annual budget. Shortfalls in weekly slot machine gaming revenue as compared to budget are recoverable against future remittances. The remaining one-half of the amount determined above is remitted to SLGA within one-hundred and eighty days of the applicable week. Pursuant to the Agreement, if, at the end of any operating

year, SIGA has not been fully reimbursed for amounts to which it is entitled for the operation of casinos, such amounts may be recovered from future operations. SIGA is allowed to retain \$5,000,000 as a capital reserve for the sole purpose of acquiring capital assets.

Also, under the Agreement, SIGA has granted a first charge security interest on all its present and after acquired assets to SLGA to secure contractual obligations of SIGA under the Agreement. However, the Agreement requires that upon joint written request by SIGA and its lenders, SLGA shall postpone such security in favour of the lenders who require a prior charge relating to funds lent to SIGA for the financing of its operations carried out in accordance with the Agreement.

On June 11, 2002, the Government of Saskatchewan and the FSIN signed a Gaming Framework Agreement which expires on June 10, 2027. The Government must distribute, in accordance with the provisions of the Framework Agreement, the income remitted to SLGA. Under the provisions of the 2002 Framework Agreement, the Government of Saskatchewan, as represented by the Minister responsible for SLGA, is entitled to recover its proportion of expenses that SLGA determines are not in accordance with the approved operating policies and directives from the future amounts payable to the First Nations Trust Fund.

Effective for the year ended March 31, 2008 and subsequent years, the Casino Operating Agreement between SLGA and SIGA was amended to exclude unrealized gains and losses on interest rate swaps from the calculation of net Casino profits payable to SLGA.

SIGA was incorporated under the *Non-profit Corporations Act, 1995* and is not subject to income tax under the provision of paragraph 149(1)(l) of the Income Tax Act (Canada). SIGA pays Goods and Services Tax and Provincial Sales Tax to government agencies and claims input tax credits on its ancillary operations.

SIGA is a corporation domiciled in Canada. SIGA's head office is located at 103 Packham Avenue in Saskatoon, Saskatchewan, Canada, S7N 4K4.

2 Basis of Preparation and Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements for the year ended March 31, 2017, were authorized for issue by the Board of Directors (the "Board") on June 2, 2017.

SIGA has prepared these financial statements using the historical cost basis unless otherwise noted in the significant accounting policies. These financial statements are presented in Canadian dollars, which is SIGA's functional currency.

3 Significant Accounting Policies

The significant accounting policies used in the preparation of these financial statements are summarized below. These accounting policies have been applied consistently to all years presented in these financial statements.

Use of Estimates, Key Judgments and Assumptions

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, and disclosure of contingent assets and contingent liabilities at the date of these financial statements as well as the reported amounts of revenue and expenses during the reporting year.

Accordingly, actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Significant areas requiring the use of management estimates, judgments and assumptions are further described in the following summary of significant accounting policies and related notes:

- Useful lives and depreciation and amortization of property and equipment and intangible assets (Notes 3, 7 and 8)
- Customer loyalty program (Note 3)
- Accrued liabilities and provisions
- Assessment of impairment of property plant and equipment
- Classification of finance and operating leases (Notes 12 and 23)

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and on deposit with an original maturity of less than or equal to three months, and certain short-term investments. The short-term investments included in cash and cash equivalents are highly liquid investments with an original maturity of less than or equal to three months.

Short-Term Investments

Short-term investments include any investments that have a term of more than three months, but less than one year from the statement of financial position date.

Accounts Receivable and Allowance for Doubtful Accounts

Management evaluates collectability of receivables depending on the customer and the nature of the balance. Collectability of receivables is reviewed and the allowance for doubtful accounts is adjusted quarterly if required. Account balances are charged to comprehensive income when management determines that it is probable that the receivable will not be collected.

Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories is determined using the most recent cost. Net realizable value is the estimated selling price in the ordinary course of business less all estimated costs to make the sale.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly

3 Significant Accounting Policies (continued)

attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the costs of those assets. SIGA ceases to capitalize borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.

Depreciation is recorded in the accounts on a straight-line basis commencing when they are available for use, at rates expected to depreciate the cost of the assets over their estimated useful lives as follows:

Asset	Rate
Leasehold improvements	Lesser the useful life of the asset and term of the lease
Casino development	40 years
Furniture & equipment	4-5 years

Depreciation methods are reviewed at each financial year end and adjusted prospectively, if appropriate.

Periodically SIGA evaluates whether changes to estimated useful lives are necessary to ensure that these estimates accurately reflect the economic use of the assets.

When property and equipment are disposed of or retired, the related costs less accumulated depreciation are de-recognized. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds less costs of removal and the carrying amount of the asset. The gain or loss on asset disposals and retirements is recognized in other revenue or expenses.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost, less any accumulated amortization and accumulated impairment losses, if any. SIGA's only identifiable intangible asset is software. Software costs include the cost of externally purchased software packages and, for internally developed programs, related external and direct labour costs. Maintenance of existing software programs is expensed as incurred.

Amortization is calculated on a straight-line basis over its estimated useful life of between 1 to 5 years. The amortization method and estimated useful life is reviewed annually and any changes are applied prospectively.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to SIGA. All other leases are classified as operating leases.

Assets held under a finance lease are initially recognized as assets of SIGA and are recorded at their fair value at the inception of the lease, or if lower, at the present value of the future minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between interest expense and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liabilities. The interest component is recognized in finance costs in the statement of comprehensive income.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Impairment of Non-Financial Assets

At the end of each reporting period, SIGA reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, SIGA estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units that a reasonable and consistent basis of allocation can be identified.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market

3 Significant Accounting Policies (continued)

assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income.

Revenues

Gaming revenue (slot and table revenues) represents the net win from those gaming activities calculated as the difference between amounts wagered and pay-outs by the casino. Gaming revenues are net of accruals for anticipated payouts of progressive jackpots and promotion allowances from the player's club program.

Ancillary revenues include hotel, food, beverage, and concession revenue and such revenues are recognized when the goods and services are provided.

Revenues exclude the retail value of food, beverage and other promotional allowances provided on a complimentary basis to guests. The cost of providing the complimentary items is included in direct operating expenses.

Commitment of Net Proceeds of Table Operations

Liabilities are recorded when amounts to be distributed are approved by the Board.

Allocation of Expenses

Table game operations

Costs allocated to table game operations include actual direct expenses, and an allocation of indirect site expenses based on the percentage of gross table revenue to total revenue on an individual casino site basis.

Central office costs are allocated to table game operations based on a percentage of gross table revenue to total revenue. These central office costs are then allocated to each casino site based on the percentage of each casino site's table net income to all casinos' table net income before the allocation of indirect site expenses.

Slot machine operations

Costs allocated to slot machine operations include actual direct expenses, and an allocation of indirect site expenses based on the percentage of gross slot revenue to total revenue on an individual casino site basis.

All remaining central office costs net of table games and ancillary allocations are allocated to slot operations. These central office costs are then allocated to each casino site based on its percentage of casino slot net income net of indirect site expenses.

Ancillary operations

Costs allocated to ancillary operations include actual direct expenses, and an allocation of indirect site expenses based on the percentage of gross ancillary revenue to total revenue on an individual casino site basis.

Central office costs are allocated to ancillary operations based on a percentage of gross ancillary revenue to total revenue. These central office costs are then allocated to each casino site based on the percentage of each casino site's ancillary net income to all casinos' ancillary net income before the allocation of indirect site expenses.

Customer Loyalty Program

As part of its customer loyalty initiative, SIGA offers a players club program to patrons. Under the program, club members accumulate reward points based on amounts wagered on slot machines. Members can redeem their points for cash or vouchers for free or discounted goods or services. SIGA records the points earned as a reduction of gaming revenue. Accounts payable and accrued liabilities are accrued for the estimated cost of the earned points balance at the end of the period under the player's club program. If the patron chooses to redeem their points for a voucher for free or discounted goods or services, the revenue is determined by the fair value of the undelivered goods and services related to a customer loyalty program and remains in accounts payable and accrued liabilities until the promotional consideration is provided.

3 Significant Accounting Policies (continued)

Employee Benefits

A defined contribution pension plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. SIGA's matching contributions to the defined contribution pension plan for employees are recorded as salaries and benefits expense in the statement of comprehensive income when services are rendered by employees.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Foreign Currency

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to SIGA's functional currency at the exchange rate at that date. Revenues and expenses are translated at rates of exchange prevailing on the transaction dates. Translation gains and losses on foreign currency denominated monetary items are taken into income in the current year.

Financial Instruments

Classification and measurement

All financial instruments are initially measured at fair value, plus transaction costs, except in the case of financial assets and liabilities classified as fair value through profit or loss ("FVTPL"). The classification of financial instruments at initial recognition depends on the purpose and management's intention for which the financial instruments were acquired or issued, their characteristics and SIGA's designation of such instruments. Measurement in subsequent periods depends on whether the financial instruments have been classified as FVTPL, loans and receivables, and other liabilities. An explanation of the nature of these classifications follows. SIGA's classifications of its financial instruments are disclosed in Note 20.

Financial assets are classified as at FVTPL when the financial asset is either held-for-trading or it is designated as at FVTPL.

A financial asset is classified as held-for-trading if:

- It has been acquired principally for the purpose of selling it in the near term; or

- On initial recognition it is part of a portfolio of identified financial instruments that SIGA manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held-for-trading may be designated as FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with SIGA's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39, *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial instruments classified as FVTPL are subsequently measured at fair value, with changes in fair value recognized in comprehensive income. The net gain or loss recognized in comprehensive income incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 20.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market that SIGA does not intend to sell immediately or in the near term. Loans and receivables are subsequently measured at amortized cost using the effective interest method, less any impairment. Interest income, calculated using the effective interest rate method, is recognized in comprehensive income.

Other financial liabilities include financial liabilities that have not been classified as FVTPL. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Finance costs, calculated using the effective interest rate method, are recognized in comprehensive income.

3 Significant Accounting Policies (continued)

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Transaction costs include fees and commissions paid to advisors, brokers and dealers. Transaction costs do not include debt premiums or discounts or financing costs. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL, in which case they are expensed as incurred. SIGA uses trade date accounting for regular way contracts when recording financial asset transactions.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability on initial recognition.

Derecognition

SIGA derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by SIGA is recognized as a separate asset or liability. SIGA derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Derivative financial instruments

SIGA uses interest rate swap derivatives to manage its exposure to interest rate risk. Derivatives are initially recognized at fair value at the date that the derivative contract is entered into and

subsequently measured at fair value with changes in fair value recognized through comprehensive income immediately.

Embedded derivatives

Derivatives may be embedded in other host instruments and are treated as separate derivatives when their economic characteristics and risks are not clearly and closely related to those of the host instrument, when the embedded derivative has the same terms as those of a stand-alone derivative, and the combined contract is not held-for-trading or designated at fair value. These embedded derivatives are measured at fair value with subsequent changes recognized in the statement of comprehensive income.

As at March 31, 2017, SIGA had no contracts (March 31, 2016 – none) with embedded derivatives that are required to be valued separately.

Fair value of financial instruments

Fair values approximate amounts at which financial instruments could be exchanged between willing parties based on current markets for instruments with similar characteristics such as risk and remaining maturities. Fair values are determined, where possible, by reference to quoted bid or asking prices in an active market. In the absence of an active market, SIGA determines fair value based on internal or external valuation models, such as discounted cash flow analysis or using observable market based inputs (bid and ask price) for instruments with similar characteristics and risk profiles. SIGA's own credit risk and the credit risk of the counterparty have been taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. Fair value measurements are subjective in nature, and represent point-in-time estimates which may not reflect fair value in the future.

SIGA classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3 Significant Accounting Policies (continued)

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy. See Note 20 for further discussion on the classification and fair value of financial instruments.

Impairment of financial assets (including receivables)

A financial asset not carried at FVTPL is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss in the statement of comprehensive income and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss in the statement of comprehensive income. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

Finance Costs

Finance costs comprise interest expense on borrowings not subject to capitalization, amortization of costs related to borrowings, interest on finance leases, and impairment losses recognized on financial assets.

Future Accounting Changes

A number of new standards and amendments to standards and interpretations are not yet effective for the year ended March 31, 2017 and have not been applied in preparing these financial statements. The following future standards are relevant to SIGA:

- *IFRS 9, Financial Instruments*. IFRS 9 has a significant impact on financial liabilities designated under the fair value option. In addition, IFRS 9 retains virtually all of the classification and measurement guidance in IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.
- *IFRS 15, Revenue from Contracts with Customers*. IFRS 15 will require revenue recognition to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.
- *IFRS 16, Leases*. IFRS 16 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15, *Revenue from Contracts with Customers*, has also been applied.

SIGA does not have any plans to early adopt any of the new or amended standards. The extent of the impact on adoption of these standards is not known at this time.

4 Short-Term Investments

Short-term investments consist of investments in guaranteed investment certificates and term deposits totaling \$43,982,500 (2016 – \$41,080,000). Individual interest

rates range from 1.00% and 1.45% and will mature between April 4, 2017 and March 27, 2018.

5 Accounts Receivable

	March 31, 2017	March 31, 2016
Trade accounts receivable	\$ 2,323,027	\$ 1,875,768
GST input tax credits receivable	280,065	313,937
Advances to suppliers, contractors and employees	286,870	264,806
	<u>\$ 2,889,962</u>	<u>\$ 2,454,511</u>

SIGA's exposure to credit and currency risks, and impairment losses related to trade and other receivables, is disclosed in Note 20.

6 Inventories

Inventories totalling \$6,910,757 were recognized as food and beverage cost of goods sold for the year ended March 31, 2017 (2016 – \$7,101,731). No write-downs of

inventories were noted for the year ended March 31, 2017 (2016 – \$nil), and there were no reversals of write-downs from previous years.

7 Intangible Assets

	Software
Cost	
Balance at March 31, 2015	\$ 4,708,860
Additions	295,470
Balance at March 31, 2016	5,004,330
Additions	14,406
Balance at March 31, 2017	\$ 5,018,736
Accumulated amortization and impairment	
Balance at March 31, 2015	\$ 4,367,968
Amortization expense	508,100
Balance at March 31, 2016	4,876,068
Amortization expense	141,198
Balance at March 31, 2017	\$ 5,017,266
Net Book Value – March 31, 2016	\$ 128,262
Net Book Value – March 31, 2017	\$ 1,470

The amortization expense for software for the year ended March 31, 2017 was \$141,198 (2016 – \$508,100) and is included in depreciation and amortization expenses in the statement of comprehensive income. There were no write-downs of software due to impairments for the year ended March 31, 2017 (2016 – \$nil).



8 Property and Equipment

	Leasehold Improvements	Casino Development	Furniture & Equipment	Construction In Progress	Total
Cost					
Balance at March 31, 2015	\$ 43,819,091	\$ 118,225,949	\$ 45,406,764	\$ 4,161,759	\$ 211,613,563
Additions	1,443,961	10,629,700	2,707,246	19,001	14,799,908
Transfer	—	—	—	(3,394,396)	(3,394,396)
Balance at March 31, 2016	45,263,052	128,855,649	48,114,010	786,365	223,019,076
Additions	943,316	598,198	1,925,113	1,827,103	5,293,733
Transfer	—	—	—	(150,153)	(150,153)
Balance at March 31, 2017	\$ 46,206,368	\$ 129,453,847	\$ 50,039,123	\$ 2,463,318	\$ 228,162,656
Accumulated depreciation					
Balance at March 31, 2015	\$ 31,109,207	\$ 34,593,262	\$ 38,299,395	\$ —	\$ 104,001,864
Depreciation expense	7,369,229	415,290	2,774,476	—	10,558,995
Balance at March 31, 2016	38,478,436	35,008,552	41,073,871	—	114,560,859
Depreciation expense	1,971,913	5,964,923	2,787,101	—	10,723,937
Balance at March 31, 2017	\$ 40,450,349	\$ 40,973,475	\$ 43,860,972	\$ —	\$ 125,284,796
Net Book Value					
Balance at March 31, 2016	\$ 6,784,616	\$ 93,847,097	\$ 7,040,139	\$ 786,365	\$ 108,458,217
Balance at March 31, 2017	\$ 5,756,019	\$ 88,480,372	\$ 6,178,151	\$ 2,463,318	\$ 102,877,860

Construction in progress represents costs incurred for capital projects under construction at existing casinos and central office. Upon completion, these costs are transferred into the appropriate capital asset category.

Included in casino development above are the following assets under finance lease:

Net carrying amount of leased assets	March 31, 2017	March 31, 2016
Base Building Costs		
– Gold Eagle Casino	\$ 16,595,279	\$ 18,214,371
– Painted Hand Casino	6,739,726	7,397,260
– Living Sky Casino	8,844,674	9,705,660
– Dakota Dunes Casino	10,639,033	11,685,296
	\$ 42,818,712	\$ 47,002,586

9 Due to Saskatchewan Liquor and Gaming Authority

	March 31, 2017	March 31, 2016
Balance, beginning of year	\$ 57,571,703	\$ 61,418,839
Income due to Saskatchewan Liquor and Gaming Authority	81,065,158	86,332,810
Payments to Saskatchewan Liquor and Gaming Authority	(77,684,036)	(90,179,946)
Balance, end of the year	\$ 60,952,825	\$ 57,571,703

As described in Note 1, SIGA is required to remit to Saskatchewan Liquor and Gaming Authority ("SLGA") the net income from the operation of the slot machines in accordance with a formula as defined in the Agreement. According to the Agreement, unrealized gains and losses on interest rate swaps are excluded from the calculation of net casino profits payable to SLGA.

Included in the above balance of the due to SLGA is the \$5,000,000 that has been retained as a capital reserve as disclosed in Note 1.

10 Accounts Payable and Accrued Liabilities

SIGA is required to pay SLGA an amount equivalent to the imputed Goods and Services Tax ("GST") that is payable by SLGA on gaming expenses incurred by SIGA related to its slot machine operations. Included in accounts payable and accrued liabilities are amounts owing to SLGA for GST of

\$300,557 (2016 - \$324,805). Also, \$1,820,872 (2016 - \$2,870,680) is due to SLGA for slot machine and operating system reimbursement and is included in accounts payable and accrued liabilities.

11 Long-Term Debt

Casino Projects Financing

In 2007, SIGA entered into a long-term financing agreement with a financial institution ("Bank") for \$79 million to finance all of its casino projects. The Bank syndicated this financing with a secondary lender to provide SIGA with \$20 million. The Bank, as the lead lender, provided SIGA with the remaining \$59 million.

SIGA has drawn on the remaining approved financing to complete the construction of its casinos.

The long-term financing agreement is secured by a general security agreement and mortgage of leasehold interests of SIGA's casinos.

Notes to the Financial Statements Year Ended March 31, 2017

11 Long-Term Debt (continued)

The long-term debt obligations are as follows:

	March 31, 2017	March 31, 2016
Term Loan Tranche D – Part A repayable in monthly instalments of \$116,667 plus interest at banks acceptance rate plus 1%, maturity April 2023.	\$ 8,516,667	\$ 9,916,667
Term Loan Tranche D – Part B repayable in monthly instalments of \$127,000 including interest at banks acceptance rate plus 1.5%, maturity April 2023.	9,262,000	10,785,000
Term Loan Tranche E repayable in monthly instalments of \$117,762 plus interest at banks acceptance rate plus 1.5%, maturity August 2024.	10,598,672	12,011,816
Term Loan Tranche F repayable in monthly instalments of \$88,889 plus interest at banks acceptance rate plus 1.5%, maturity August 2024.	7,999,990	9,066,658
	36,377,329	41,780,141
Less current portion	(5,401,812)	(5,402,812)
	\$ 30,975,517	\$ 36,377,329

Principal repayments required for the above loans, assuming renewal under similar terms, are as follows:

2018	\$ 5,401,812
2019	5,402,812
2020	5,402,812
2021	5,402,812
2022	5,402,812
Thereafter	9,364,269
	\$ 36,377,329

In order to manage its interest rate risk exposure, SIGA entered into separate interest rate swap arrangements for the Dakota Dunes, Living Sky and Painted Hand construction projects. These arrangements fixed the interest rates for the loans for each construction project at 4.94% and 2.08% for Dakota Dunes, 5.09% for Living Sky and 5.09% for

Painted Hand over the term of the loans. These swap terms are April 2023, April 2023, August 2024, and August 2024 respectively. A liability of \$3,688,525 has been recorded at March 31, 2017 (2016 – \$5,443,107), representing the fair value of the instruments. Changes to the fair value are recorded as an unrealized gain or loss in the current period. The notional amount of the interest rate swaps at March 31, 2017, were \$8,516,666 and \$9,262,000 for Dakota Dunes, \$10,598,672 for Living Sky, and \$7,999,990 for Painted Hand.

SIGA has established an unsecured \$2,000,000 line of credit with a financial institution. Interest is charged on the line of credit at the financial institution's prime rate plus 1%. At March 31, 2017, no amount is owing on the line of credit (2016 – \$nil).

12 Finance Lease Obligation

On December 23, 2004, SIGA entered into an agreement with STC Casino Holdings Limited Partnership for lease of Dakota Dunes Casino on Whitecap Dakota First Nation. Beginning in April 2007, SIGA leased the property from that Partnership for approximately 20 years at an annual cost of \$2,248,477. In 2011, there was an addition to this capital lease, for approximately 16 years, at an annual cost of \$380,969. In 2012, there was a further addition to this lease for approximately 15 years, at an annual cost of \$60,571.

On October 26, 2005, SIGA entered into an agreement with PHC Holdings Limited Partnership for lease of Painted Hand Casino in Yorkton. Beginning in February 2009, SIGA leased the property from that Partnership for approximately 19 years at an annual cost of \$1,646,400.

On January 26, 2006, SIGA entered into an agreement with FHQ Casino Holdings Limited Partnership for lease of Living Sky Casino in Swift Current. Beginning in December 2008, SIGA leased the property from the Partnership for approximately 19 years at an annual cost of \$2,195,200.

On April 1, 2014 SIGA entered into an agreement with FNH Development Limited Partnership for lease of Gold Eagle Casino in North Battleford. SIGA will lease the property from the Partnership for 13 years at an annual cost of \$1,441,496.

On April 1, 2014 SIGA entered into an agreement with BATC Investments Limited Partnership for lease of an expansion at Gold Eagle Casino in North Battleford. Beginning September 1, 2015, SIGA leased the property from the Partnership for 13 years at an annual cost of \$404,280.

STC Casino Holdings Limited Partnership, PHC Holdings Limited Partnership, FHQ Casino Holdings Limited Partnership, FNH Development Limited Partnership, BATC Investments Limited Partnership are related to SIGA as they are owned by Class A membership holders of SIGA.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 3.0% to 12.5% (2016 – 3.0% to 12.5%) per annum.

The minimum lease payments under the finance lease obligation are as follows:

	March 31, 2017	March 31, 2016
Total future minimum lease payments	\$ 87,160,693	\$ 95,352,259
Less future finance charges on finance leases	(31,780,128)	(36,907,354)
Present value of finance lease obligation	55,380,565	58,444,905
Less current portion of finance lease obligation	(3,356,362)	(3,076,821)
Finance lease obligation	\$ 52,024,203	\$ 55,368,084

As at March 31, 2017, scheduled future minimum lease payments of the finance lease obligation are as follows:

	1 Year	1-5 Years	More than 5 Years
Future minimum lease payments	\$ 8,443,239	\$ 34,002,473	\$ 44,714,981
Present value of finance lease obligation	3,356,362	17,088,699	34,935,504

Due to the related party nature of the finance lease obligation, fair value information has not been disclosed as fair value cannot be reliably measured.



13 Uncommitted Net Proceeds of Table Operations

The Casino Operating Agreement provides for SIGA to use any net income from the operation of licensed table games for charitable or religious objects or purposes. Distributions of funds were made during the year as follows:

	March 31, 2017	March 31, 2016
Balance, beginning of year	\$ -	\$ -
Net loss from table operations (Note 22)	(1,886,402)	(2,217,637)
	(1,886,402)	(2,217,637)
Net loss from table operations allocated to slot operations	1,886,402	2,217,637
Amounts disbursed	-	-
Balance, end of year	\$ -	\$ -

14 Revenue

	March 31, 2017	March 31, 2016
Gaming	\$ 231,108,801	\$ 235,995,120
Ancillary	22,550,916	22,383,721
	\$ 253,659,717	\$ 258,378,841

15 Materials and Consumables

	March 31, 2017	March 31, 2016
Food and beverage cost of goods sold	\$ 6,910,757	\$ 7,101,731
Imputed goods and services tax	3,329,378	3,382,598
Building repairs and maintenance	2,090,512	2,270,333
Staff benefits and recruitment	1,358,442	1,263,240
Insurance	1,074,571	1,169,174
Software licenses and agreements	996,010	945,824
Accounting and internal audit services	670,897	617,888
Postage and stationery	643,315	698,261
Telephone	527,185	605,987
Board remuneration and travel	504,721	495,868
Consulting	380,296	758,143
Bank charges	365,797	385,047
Legal	338,593	346,136
Miscellaneous	283,842	341,170
Dues and subscriptions	139,582	84,785
	\$ 19,613,898	\$ 20,486,185

16 Other Expenses

	March 31, 2017	March 31, 2016
Departmental supplies	\$ 1,195,342	\$ 1,117,216
Shuttle operating costs	848,215	776,320
Travel and sustenance	765,543	752,927
Equipment lease	685,192	546,541
Staff training	674,977	579,750
Uniforms and laundering	665,137	852,720
Equipment repairs	599,005	343,026
Other	583,367	472,668
Ancillary consumables	555,929	570,824
Printing	305,153	306,247
	<u>\$ 6,877,860</u>	<u>\$ 6,318,239</u>

17 Finance Costs

	March 31, 2017	March 31, 2016
Interest on long-term debt	\$ 2,226,977	\$ 2,615,969
Interest on finance lease obligations	5,361,917	5,436,968
	<u>\$ 7,588,894</u>	<u>\$ 8,052,937</u>

The weighted average capitalization rate on funds borrowed generally is 8.87% per annum (2016 – 8.70% per annum).

18 Employee Benefits

Effective April 1, 1997, SIGA established a pension plan for employees. The plan is a defined contribution plan administered by Great West Life. Substantially all of SIGA's full-time employees participate in the plan. SIGA's financial

obligation is limited to matching the required amounts contributed by employees, 6% of salary, which totalled \$3,818,563 in fiscal 2017 (2016 – \$3,736,257).

19 Capital Disclosures

SIGA's objectives when managing capital are to ensure adequate capital to support the operations and growth strategies of SIGA.

SIGA funds its capital requirements through the \$5,000,000 capital reserve from SLGA, internal operating activities and

debt. SIGA also has an available line of credit of \$2,000,000 at a financial institution (Note 11).

SIGA limits the amount of risk in proportion to its capital. The initial financing option of the Dakota Dunes, Living Sky, and Painted Hand casino projects ("casino projects") was limited to

19 Capital Disclosures (continued)

variable rate loans. SIGA entered into four interest rate swap agreements to exchange the variable rate debt instruments to fixed rate loans to mitigate fluctuations in interest rates. SIGA also regularly evaluates if any factors have the potential to change the capital structure of the organization. Risk management reports are presented to the Audit and Finance Committee and Board of Directors on a quarterly basis.

SIGA entered into a credit agreement with financial institutions in order to obtain financing for the casino projects. There are currently four financial covenants which are reported on a quarterly basis to the financial institutions. SIGA monitors its capital structure using these covenants. The financial covenants are as follows:

(a) The senior fund debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio shall be less than or equal to 2.0:1.0 for each fiscal quarter;

(b) The interest coverage ratio shall not be less than 5.0:1.0;

(c) The total debt service coverage ratio shall not be less than 2.0:1.0; and

(d) The earnings before interest, taxes, depreciation, amortization and rent ("EBITDAR") coverage ratio shall not be less than 2.0:1.0.

Ratios at year-end were 0.43, 12.07, 6.46 and 4.35 respectively. In all instances during the year ended March 31, 2017 (and March 31, 2016), SIGA was in compliance with the above covenants.

20 Financial Risk Management

SIGA, through its financial assets and liabilities, has exposure to a number of risks from its use of financial instruments. The following analysis provides a measurement of these risks as at March 31, 2017:

Risk Management

The Board has overall responsibility for the establishment and oversight of SIGA's risk management framework and is responsible for developing and monitoring SIGA's risk management policies.

SIGA's risk management policies are established to identify and analyze the risks faced by SIGA, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and SIGA's activities.

SIGA's Board oversees how management monitors compliance with SIGA's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by SIGA. The Board is assisted in its

oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

Credit Risk

SIGA's principal financial assets are cash and cash equivalents, short-term investments, and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the statement of financial position represent SIGA's maximum credit exposure at the statement of financial position date.

SIGA does not extend credit to its gaming customers. Credit risk is limited to its accounts receivable balance which consists primarily of credit extended to business entities for business functions held at the various casino locations. The credit risk on cash and cash equivalents and short-term investments is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies. Credit risk is not considered significant.

Notes to the Financial Statements Year Ended March 31, 2017

20 Financial Risk Management (continued)

The following reflects an aging summary of SIGA's trade accounts receivable balances:

	March 31, 2017	March 31, 2016
Current	\$ 2,223,989	\$ 1,786,737
30-59 days	61,485	1,383
60-89 days	1,469	70,825
90 days and greater	36,084	16,823
	2,323,027	1,875,768
Allowance for doubtful accounts	—	—
	\$ 2,323,027	\$ 1,875,768

The allowance for doubtful accounts is reviewed quarterly based on an estimate of outstanding amounts that are considered uncollectible. Historically, SIGA has not written-off a significant portion of its trade accounts receivable balances.

Interest Rate Risk

Interest rate risk is the risk of financial loss resulting from changes in market interest rates. In order to manage its interest rate risk exposure, SIGA entered into separate interest rate swap arrangements for the Dakota Dunes, Living Sky and Painted Hand construction projects as described in Note 11. These arrangements fixed the interest rates for the loan for each construction project at 4.94%, 5.09%, 5.09% and 2.08% respectively over the term of the loans.

At March 31, 2017, if interest rates at that date had been 100 basis points lower with all other variables held constant, total comprehensive income for the year before distribution to SLGA would have been \$1,293,848 (2016 – \$1,755,452) lower, arising mainly as a result of higher unrealized losses on

interest rate swaps, partially offset by lower interest expense on variable borrowings. If interest rates had been 100 basis points higher, with all other variables held constant, total comprehensive income for the year before distribution to SLGA would have been \$1,232,403 (2016 – \$1,661,234) higher, arising mainly as a result of lower unrealized losses on interest rate swaps, partially offset by higher interest expense on variable borrowings.

Foreign Exchange Risk

SIGA faces exposure to the U.S./Canadian dollar exchange rate through the purchase of goods and services payable in U.S. dollars. The risk is not considered significant.



Notes to the Financial Statements Year Ended March 31, 2017

20 Financial Risk Management (continued)

Liquidity Risk

Liquidity risk is the risk that SIGA is unable to meet its financial commitments as they become due or can only do so at excessive cost. SIGA manages its cash resources based on financial forecasts and anticipated cash flows. The following summarizes the contractual maturities of SIGA's financial liabilities based on undiscounted payments:

2017	Contractual cash flows					
Financial Liabilities	Carrying Amount	0-12 months	1-2 years	3-5 years	More than 5 years	Total
Due to SLGA	\$ 60,952,825	\$ 60,952,825	\$ -	\$ -	\$ -	\$ 60,952,825
Accounts payable and accrued liabilities	20,738,167	20,738,167	-	-	-	20,738,167
Long-term debt	36,377,329	7,287,702	6,991,024	13,094,052	16,073,396	43,446,174
Finance lease obligation	55,380,565	8,443,239	8,465,849	25,536,624	44,714,981	87,160,693
Interest rate swap liability	3,688,525	-	-	-	3,688,525	3,688,525
	<u>\$ 177,137,411</u>	<u>\$ 97,421,933</u>	<u>\$ 15,456,873</u>	<u>\$ 38,630,676</u>	<u>\$ 64,476,902</u>	<u>\$ 215,986,384</u>

The interest included in the payments of long-term debt were estimated using the interest rates prevailing at the end of the reporting period, assuming that such rates remain unchanged during the term of the long-term debt arrangements.

2016	Contractual cash flows					
Financial Liabilities	Carrying Amount	0-12 months	1-2 years	3-5 years	More than 5 years	Total
Due to SLGA	\$ 57,571,703	\$ 57,571,703	\$ -	\$ -	\$ -	\$ 57,571,703
Accounts payable and accrued liabilities	19,481,422	19,481,422	-	-	-	19,481,422
Long-term debt	41,780,141	7,677,365	7,353,794	19,848,348	16,686,750	51,566,257
Finance lease obligation	58,444,905	8,401,992	8,423,984	25,407,223	53,119,060	95,352,259
Interest rate swap liability	5,443,107	-	-	-	5,443,107	5,443,107
	<u>\$ 182,721,278</u>	<u>\$ 93,132,482</u>	<u>\$ 15,777,778</u>	<u>\$ 45,255,571</u>	<u>\$ 75,248,917</u>	<u>\$ 229,414,748</u>

Management believes its ability to generate funds will be adequate to support these financial liabilities.

20 Financial Risk Management (continued)

Classification and Fair Value of Financial Instruments

	Classification	Fair Value Level	March 31, 2017	March 31, 2016
Cash and cash equivalents	L&R	N/A	\$ 21,026,299	\$ 22,113,742
Short-term investments	L&R	N/A	43,982,500	41,080,000
Accounts receivable	L&R	N/A	2,889,962	2,454,511
Due to SLGA	OL	N/A	60,952,825	57,571,703
Accounts payable and accrued liabilities	OL	N/A	20,738,167	19,481,422
Long-term debt	OL	N/A	36,377,329	41,780,141
Interest rate swap liability	FVTPL	2	3,688,525	5,443,107

FVTPL – Fair value through profit and loss, L&R – Loans and receivables, OL – Other liabilities.

Derivatives are carried at their fair value. Derivative instrument fair value is calculated using pricing models that incorporate current market prices and the contractual prices of the underlying instruments, the time value of money and yield curves.

The fair value of long-term debt approximates carrying value due to its floating interest rates.

The fair value of the remaining financial instruments classified as loans and receivables or other liabilities approximates carrying value due to their current nature.

21 Related Party Transactions

Significant related parties to SIGA include the FSIN, holder of the Class A membership in SIGA, and entities related to the FSIN (including Saskatchewan Indian Institute of Technologies, First Nations University of Canada, Indigenous Gaming Regulators Inc., Saskatchewan Indian Cultural Centre, and Saskatchewan Indian Equity Foundation). Related parties

also include the Tribal Councils of Saskatchewan (and their related entities) that hold Class A memberships in SIGA. All transactions with related parties were made in the normal course of business and have been recorded at exchange amounts agreed upon between the parties.

The following are balances outstanding with related parties:

Amounts owed by related parties	March 31, 2017	March 31, 2016
	\$ 46,537	\$ 101,696
Amounts owed to related parties	March 31, 2017	March 31, 2016
	\$ 1,200	\$ 7,368

Notes to the Financial Statements Year Ended March 31, 2017

21 Related Party Transactions (continued)

Significant transactions with related parties throughout the year are as follows:

Purchases of goods and services	March 31, 2017	March 31, 2016
Building rent and occupancy	\$ 7,175,327	\$ 7,049,860
Finance lease payments (principal and interest)	8,426,257	8,134,757
Indigenous Gaming Regulators Inc.	3,333,685	3,330,900
Other	1,711,853	1,326,851
Sponsorship	400,483	330,692

Key Management Personnel Compensation

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of SIGA, directly or indirectly. Key management personnel of SIGA include the President/CEO, vice-presidents, and members of the board of directors. Key management personnel compensation is comprised of:

	March 31, 2017	March 31, 2016
Employee compensation and benefits	\$ 1,812,581	\$ 1,710,990
Post-employment benefits	172,802	167,447
	\$ 1,985,383	\$ 1,878,437

Other transactions with related parties and amounts due to/from them are described separately in these financial statements and the notes thereto.

22 Segmented Information

SIGA operates in three segments – table operations, slot operations and ancillary operations. The following table shows key amounts by segment.

	Slot Operations	Table Operations	Ancillary Operations	Elimination of Intercompany Transactions	Total	
					2017	2016
Revenues	\$ 222,482,092	\$ 12,191,593	\$ 22,550,916	\$ (3,564,884)	\$ 253,659,717	\$ 258,378,839
Expenses	130,318,190	14,077,995	31,763,258	(3,564,884)	172,594,559	172,046,029
Profit (loss) before the following:	\$ 92,163,902	\$ (1,886,402)	\$ (9,212,342)	\$ -	\$ 81,065,158	\$ 86,332,810
Unrealized gain on interest rate swaps (Note 11)					1,754,582	788,443
Total net income and comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority (Notes 1 & 9)					\$ 82,819,740	\$ 87,121,253

The accounting policies of the reportable segments are the same as SIGA's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of unrealized gain (loss) on interest rate swaps and distribution to Saskatchewan Liquor and Gaming Authority. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

23 Commitments and Contingencies

Operating Leases

SIGA has obligations under operating leases for buildings, equipment and vehicles. The minimum lease payments required under these operating leases are as follows:

	March 31, 2017	March 31, 2016
Less than one year	\$ 2,934,518	\$ 4,601,838
Between one and five years	4,283,412	5,534,198
More than five years	2,842,007	3,698,831
	<u>\$ 10,059,937</u>	<u>\$ 13,834,867</u>

The above commitments include amounts committed to related parties of \$4,774,156 for years 2017/18 through 2021/22 and \$2,842,007 for the years beyond 2021/22.

During the year ended March 31, 2017, an amount of \$5,279,123 (2016 – \$5,106,364) was recognized as an expense in comprehensive income in respect of operating leases.

Capital Commitment – Slot Machines

The Casino Operating Agreement requires SLGA to supply slot machines and the slot management system to SIGA for use in its casinos and for SIGA to reimburse to SLGA the cost of these machines over the estimated useful life of the equipment. Included in expenses is \$12,499,438 (2016 – \$11,280,779) for reimbursement of the purchase of slot machines and the slot machine management system. SIGA estimates total costs over the next five years, based on the machines currently in use, as follows:

2018	\$ 10,505,809
2019	9,736,913
2020	7,254,244
2021	3,230,533
2022	946,564

Letters of Credit

SIGA has three letters of credit with First Nations Bank of Canada, \$50,000 payable to the City of Swift Current, \$200,000 payable to the City of Yorkton and \$30,000 payable to Saskatchewan Sport Distributors Inc.

Other

The Casino Operating Agreement requires SIGA, upon receiving direction from SLGA, to pay to Indigenous Gaming Regulators Inc. ("IGR") the amount of IGR's annual operating budget. SLGA has directed SIGA to pay IGR \$3,300,000 for 2017-2018 (2016-2017 – \$3,300,000).

SIGA entered into an agreement with Saskatoon Prairieland Park Corporation ("SPPC") regarding the maintenance of a certain level of income when SPPC closed its casino. Under this agreement, SIGA agreed to pay SPPC \$216,667 monthly, subject to certain conditions, effective August 10, 2007 and continuing for 30 years.

Contingencies

SIGA enters into contractual arrangements with suppliers of services, products and facilities in the normal course of business. Contracts are subject to legal interpretation from time to time and disputes do arise. Management plans to account for such dispute resolutions in the year such disputes are settled, as they cannot be reasonably estimated prior to this time.

In addition, various other claims and lawsuits are pending against SIGA in the ordinary course of business. While it is not possible to determine the ultimate outcome of such actions at this time, and there exist inherent uncertainties in predicting such outcomes, it is SIGA's belief that the ultimate resolution of such actions is not reasonably likely to have a material adverse effect on its financial position or results of operations.

24 Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.



Executive Structure



Board of Directors



Board Chair – Chief Reginald Bellerose is currently serving a seventh consecutive term as Chief of Muskowekwan First Nation (MFN). Prior to his work at MFN, he held positions at Royal Bank, University of Alberta and Junior Achievement Canada. Chief Bellerose holds a master's degree in project management from the University of Saskatchewan and a bachelor's degree in history and political science from Concordia University. As Chief of Muskowekwan First Nation, he remains focused on enterprise in and for his community, primarily in the area of natural resource development and sustainability.

He's passionately committed to future generations through investment in education and long-term business thinking, and through generating own-source revenue through exercising Inherent and Treaty Rights; and he speaks often on the need to address healing and wellness in First Nation communities. He is known for fair and transparent leadership, and for his community dedication and compassion. Chief Bellerose sits on various boards throughout the province and nationally, including First Nation Power Authority, Saskatchewan Indian Institute of Technologies and Encanto Potash Corp.



Chief Darcy Bear is in his seventh consecutive term as Chief of the Whitecap Dakota First Nation. He holds a business administration certificate and an honorary doctorate of law from the University of Saskatchewan. Chief Bear has also been the recipient of many awards including the Commemorative Medal for the Centennial of Saskatchewan in 2005; the Saskatchewan Order of Merit in 2011; and the Saskatchewan Diamond Jubilee in 2012. Recently, he was awarded the 2016 Canadian Council for

Aboriginal Business Hall of Lifetime Achievement Award for his oversight of the transformation of the community, increasing opportunity and prosperity against formidable odds. He has dedicated half of his life to the betterment of his community and has been the driving force behind extensive economic development and an improved quality of life there. To date, there has been about \$100 million in capital investment in the community and a reduced unemployment rate from 70 per cent to five per cent.



Chief Richard Ben joined the SIGA Board in October 2009. Prior to being elected as Chief of Makwa Sahgashcan First Nation, he had served one term as a band councillor. Chief Ben's experience includes terms with the FSIN Education and Justice Commissions, and a number of boards with the

Meadow Lake Tribal Council. Chief Ben's background also includes three years in the army reserve, four years as a recreation director on his home reserve, as well as an education in police sciences and information technology.



Chief Connie Big Eagle, Pro.Dr., is the Chief of Ocean Man First Nation. She has served her Nation in leadership for 14 years as Chief and on Council. Chief Connie chairs the Yorkton Tribal Council Treasury

Board, vice-chairs the Treaty 4 Education Alliance and represents Saskatchewan on the Assembly of First Nations Women's Council. Chief Big Eagle joined the SIGA Board in August 2015.



Carole Bryant, Pro.Dr., rejoined the SIGA Board in January 2010. Carole is currently Director of Governance and Corporate Services with the Ranch Ehrlo Society. She has had diverse career experience in social work, community development, human resources, corporate services, board governance and communication. Carole is the Past-President of the Saskatchewan Association of Social Workers (SASW)

and is a former past-president of the Regina Rotary Club. She was one of the founding board members of SaskPower Commercial Inc. and has board experience with the Luther College Board of Directors, Investment Saskatchewan and is a former president of the Regina and District Food Bank. Carole has a master's degree in social work. She completed her MBA from Queen's University in Kingston and has her CFA designation.



Chief Edward Henderson of the Montreal Lake Cree Nation joined the Board in December 2005. He is past Chair of Little Red Reserve School Authority and Woodland Cree Board. He currently serves on the boards of PACC Education, Forestry,

Women's Commission, Sports Culture and Recreation, Saskatchewan Indian Equity Foundation, First Nations University of Canada and the Saskatchewan Indian Education and Training Commission.

Dr. Ron Martin, ProDir, of the Fond-du-Lac First Nation was appointed to the SIGA Board in October 2012. Dr. Martin completed his Native Law Program, a Bachelor of Arts Advanced Degree in sociology, Bachelor of Science Advanced Degree in anatomy, a

Doctor of Medical Dentistry Degree and has obtained his professional director designation. He owns and operates a busy and expanding dental practice (Dene Dent Family Dentistry) on Treaty 4 Territory near Fort Qu'Appelle.



Chief Kenney Moccasin, ProDir, joined the SIGA Board in December 2015. Chief Moccasin was elected in 2011 and more recently in 2015 to the position of Chief of the Saulteaux First Nation. Prior to being elected as a band councillor, Chief Moccasin completed his Computer Information Technology Diploma and worked in the education system for eight

years as a computer technician/networking/teacher at the Saulteaux Heritage School and the Northwest Nations Education Council (NNEC) School Board. He currently represents Battleford Agency Tribal Chiefs (BATC) on the SIGA Board, and was recently appointed as Tribal Chief in October 2015.



Chief Marie Anne Daywalker-Pelletier, ProDir, was appointed from the File Hills Qu'Appelle Tribal Council in early January, 2013 to the SIGA Board. She is currently Chief of Okanese First Nation, a position she has held since March, 1981 – serving 36 consecutive years to date. Chief Daywalker-

Pelletier has sat on many boards and obtained professional director designation in 2015. Currently, she is the Chair of the Saskatchewan Indian Women's Commission, Chair of the TFHQ Safe Shelter Inc. and a commission member of the Health and Social Development Commission.



Kevin Pooch from the Battleford Tribal Council Management Corp. was appointed to the Board in February 2012 by the Battlefords Tribal Council. Kevin is a Chartered Financial Planner who has 25 years of experience in the financial services industry. He was instrumental in the financing and opening of the first

four casinos operated by SIGA. In 1998 he joined Battlefords Tribal Council to assist their Economic Development Division. He currently is part of a group that manages several diversified businesses and holding companies, and analyzes new opportunities for First Nations.



Chief Brian Standingready, ProDir, of White Bear First Nation, was first appointed to the Board in 2003, holding the position of Chair until January 2007. Since 2008, Chief Standingready has served as Director for the SIGA Board and is currently the Board Vice-Chair and Chairperson of the Strategic Affairs Committee. He has held a variety of positions including Chief, council member and band manager at the White Bear

First Nation, serving as Chief for a total of 32 years. Chief Standingready is also Chairperson for White Bear First Nation corporations in the oil and gas industry. He recently obtained his professional director designation and, in 2011, received the Lifetime Achievement Award at the Canadian Gaming Summit in Vancouver. Chief Standingready was re-elected in 2011.



Chief Delbert Wapass is a fluent speaker of the Cree language and is from Thunderchild First Nation. Chief Wapass holds a bachelor's degree in native studies from the University of Regina and a Master of Education (M.Ed.) from the University of Saskatchewan. Chief Wapass has previously

served with the Federation of Sovereign Indigenous Nations as both the Second and Third Vice-Chief, with portfolio experience in economic development, education and health. A very traditional and cultural person, Chief Wapass was raised by his grandparents on the Thunderchild First Nation.



Ted Gowerance – Senator FSIN is from the Keweenaw First Nation. Elected to Council in 1977, he served eight years. Ted also served as Communications Officer with the Saskatchewan Indian Federated College was later the Chief of Staff for the Federation of Sovereign Indigenous Nations

for eight years. Ted was elected in 1995 to be Chief of his community and served three consecutive terms. He also served as an advisor to the Assembly of First Nations for the Residential School file. Ted continues to travel across Canada at speaking engagements as a survivor of Residential School.



Ruby Williams – Board Secretary



Corporate Governance

Authority

Under the *First Nations Gaming Act, 1995*, the Federation of Sovereign Indigenous Nations (FSIN) created the Saskatchewan Indian Gaming Authority (SIGA) on June 10, 1995. The FSIN entered into the Gaming Framework Agreement (GFA) with the Province of Saskatchewan, which established its exclusive access to casino markets in Saskatchewan. SIGA was designated as the proponent for casino development and was then incorporated under *The Non-Profit Corporation Act, 1995*, of Saskatchewan on January 11, 1996.

The Province of Saskatchewan regulates SIGA through the Saskatchewan Liquor and Gaming Authority (SLGA) and the Indigenous Gaming Regulators (IGR). Accountable to the mandate set out by our shareholders, SIGA operates under the terms set out in the Casino Operating Agreement (COA) and gaming regulatory conditions established by IGR and SLGA.

Saskatchewan Liquor and Gaming Authority

The Province of Saskatchewan regulates SIGA through the Saskatchewan Liquor and Gaming Authority (SLGA). This authority is responsible for the approval of budgets, operating policies, procedures and expansion of services. There is constant dialogue between the management and employees of both organizations.

Our Structure

SIGA's gaming operations are a revenue source for Saskatchewan's First Nations, the Provincial Treasury and for the Community Development Corporations (CDCs). The CDCs distribute this money to charitable and non-profit community organizations. Profits generated from SIGA's operations are administered by the Province of Saskatchewan using the following breakdown: 50 per cent to Saskatchewan First Nations, as distributed through the First Nations Trust; 25 per cent to the CDCs; and 25 per cent to the provincial government's General Revenue Fund.

Role of the Board

On behalf of the Shareholders, the Board of Directors is responsible for the stewardship of the organization and is ultimately accountable for the management of the affairs and business of SIGA. In meeting this responsibility, the Board works with management to develop and approve the organization's strategic plan, annual budgets, and ensures that a communication policy is in place. The Board has established a terms of reference addressing its principal duties and responsibilities as a Board.

While focusing on the strategic direction of the organization, the Board delegates day-to-day operations to the President and CEO. The Board has resolved to adopt a policy governance model that empowers the President and CEO and holds them accountable for achieving the Board's directives, managing risks, complying with the Casino Operating Agreement and Board policies. In addition, the organization has a comprehensive Delegation of Authority

Policy that governs the approvals and spending authorities for all managers consistent with their responsibilities, accountabilities and budgetary allocations. The policy specifies those matters that require Board approval, including items specific to capital expenses (including renovation projects) planned over \$1 million; and unplanned over \$500,000, including any property management, land and building leases; and all other operating expenses and contracts.

All of its Directors are independent of management and no member of management serves as a Director. The Board held six meetings in the 2016-2017 fiscal year.

Board Chair – Chief Reginald Bellerose

The Chair provides leadership by guiding the Board, coordinating its activities, and fostering relationships in the best interests of the organization. The Chair, while working closely with the President and CEO, retains an independent perspective to best represent the interests of SIGA, the Board and the communities they serve. The Chair, on behalf of the Board, reports to the FSIN Gaming Commission and the FSIN Legislative Assembly on the affairs of the corporation, including all business aspects of casinos owned and operated by SIGA. The Chair, in turn, reports to the Board of Directors any recommendations brought forward by the Gaming Commission and the Assembly. The Board has delegated authority and assigned responsibility to the Board Chair for managing SIGA's relationship with the Shareholders as per policy B03-012 Board Chair – Terms of Reference.



Directors

The Board of Directors was comprised of 12 members for the 2016-2017 fiscal year. The Federation of Sovereign Indigenous Nations and the Tribal Councils nominate these members (one per Tribal Council). There is one independent director appointed by the SIGA Board who has financial expertise. Only individuals registered under *The Alcohol and Gaming Regulation Act, 1997*, may be Directors of the Board.

As per the Casino Operating Agreement, the Board structure is comprised of no more than 13 Directors.

The 2016-2017 Directors are as follows:

- Chief Reginald Bellerose
- Chief Edward Henderson
- Chief Darcy Bear
- Chief Brian Standingready
- Chief Richard Ben
- Carole Bryant
- Chief Delbert Wapass
- Kevin Pook
- Dr. Ron Martin
- Chief Marie Anne Daywalker-Pelletier
- Chief Connie Big Eagle
- Chief Ken Moccasin

The Board also has an advisor:

- Senate Advisor, Ted Quewezance

Committee Structure

The Board may appoint any committees that it considers necessary for the efficient conduct of the affairs and business of SIGA and may prescribe the duties of any committee it appoints. It is important to note that assignment of responsibility by the Board to a committee does not absolve the full Board from responsibility for a committee's work or decisions. The Chair is ex-officio on all committees and may attend any meeting as deemed appropriate. All committees have established terms of reference governing their conduct and mandate.

The Board has three (3) committees with established terms of reference governing their code and mandate. These three committees are as follows: Audit and Finance, Governance (includes, Human Resources, Compensation and Ethics and Governance mandates) and Strategic Affairs.

Audit and Finance Committee – Carole Bryant, Chair

The Audit and Finance Committee monitors the financial performance and internal controls of SIGA, assesses risk management strategies and acts as a liaison between the internal and external auditors and the Board. This committee is responsible for the internal audit function and has retained an independent internal auditor who is accountable to the Board through the Audit and Finance Committee and has unimpeded access to corporate information and reports. SIGA's internal

auditor is PricewaterhouseCoopers (PwC). The fee for the internal audit function for the fiscal year is \$397,100. The committee monitors internal controls over the financial reporting process, auditing matters and financial reporting issues. The SIGA audit is completed by the audit firm Deloitte LLP. The fee for the audit for the fiscal year is \$236,000. In addition to the statutory audit requirements, Deloitte LLP submits management letters that contain internal control recommendations and identify management and system control risks. Deloitte LLP has examined the corporation's financial statements and issued an auditor's report included in this annual report. Deloitte LLP did not provide any non-audit services this past fiscal year. The committee met five times in the 2016-2017 fiscal year.

Strategic Affairs Committee – Brian Standingready, Chair

The Strategic Affairs Committee is mandated to ensure there are sufficient processes in place to develop, maintain and monitor the strategic plan, provide direction on shareholder and stakeholder relations and review and provide direction on new business opportunities. The Strategic Affairs Committee is also responsible to review, assess and monitor strategic level risk in SIGA's risk management plan and to ensure the appropriate risk mitigation strategies are in place. Further, the committee will review and provide recommendations on the Casino Operating Agreement and the Framework Agreement. The committee met five times in the 2016-2017 fiscal year.

Governance Committee – Ron Martin, Chair

The Governance Committee is responsible for overseeing the Authority's governance processes and the quality of its corporate governance, reporting to the Board concerning the same. The committee helps the Board deliver exemplary governance and human resource practices ensuring that SIGA's overall compensation structure provides appropriate incentives to employees at all levels. The committee ensures that SIGA is observing the highest standards of ethical business conduct. The Governance Committee monitors the functioning of the Board and committees of the Board, and

recommends governance issues to be discussed by the Board and Board committees. It is also responsible to ensure timely and complete information and decision-making at the Board and committee levels. The Governance Committee is responsible to ensure an annual review of the terms of reference of the Board and its committees. The committee coordinates the bi-annual evaluations of the Board, the Board Chair and committees.

The evaluation of the Board and its committees was completed in 2017. The Governance Committee also oversees the annual evaluation of the CEO, which will be completed in July 2017. The Board engaged Dr. Bob Kayseas, an independent third party consultant, to conduct the evaluation of the Board, Board Chair, committees and the President and CEO. This committee met four times in the 2016-2017 fiscal year.

Governance Practices

The SIGA Board has formally adopted a governance model with generally accepted governance practices and a suite of corporate governance policies. These policies ensure continuity of good governance practices and provide ongoing direction for the Board, its committees and management. To ensure that SIGA continues to exemplify high standards of corporate governance, the Board has mandated that the corporation's governance practices be monitored annually and an audit of all governance practices be conducted every three years. The next

audit will be completed in 2017 by the audit firm PricewaterhouseCoopers.

SIGA's current governance and disclosure practices are consistent with the guidelines advocated in the Ontario Securities Commission National Policy 58-201. SIGA's current disclosure practices are consistent with the guidelines set out in the Ontario Securities Commission National Policy 58-101.

The Board substantially complies with its corporate governance policies. Unlike a publicly held entity, SIGA is not required to comply with these policies. The corporation, however, has adopted an approach of benchmarking itself to these standards.

SIGA's alignment with the CSA Corporate Governance Guidelines is set out in the following scorecard:



	SIGA's Governance Practices	Does SIGA Align?
COMPOSITION OF THE BOARD		
NP 58-201, Section 3.1 The Board should have the majority of independent Directors.	The Directors on the SIGA Board are (12 out of 12) independent. SIGA's Board composition is 13 members with 12 of those Directors being confirmed as of this date.	Yes
NP 58-201, Sections 1(a) and (d)		
1 (a) Disclose the identity of Directors who are independent;	Reginald Bellerose, Chair: Independent – Chief, Muskowekwan First Nation, Touchwood Agency Tribal Council.	Yes
(b) Disclose the identity of Directors who are not independent and the basis for that determination;	Edward Henderson, Director: Independent – Chief, Montreal Lake Cree Nation, Prince Albert Grand Council.	
(c) Disclose whether the majority of Directors are independent; and	Brian Standingready, Director: Independent – Chief, White Bear First Nation, Southeast Treaty 4 Tribal Council.	
(d) Disclose whether a Director is a Director of any other issuer that is a reporting issuer.	Vacant – Agency Chiefs Tribal Council. Richard Ben, Director: Independent – Chief, Makwa Sahgaiehcan First Nation, Meadow Lake Tribal Council. Carole Bryant, Director: Independent – Director of Governance and Corporate Services, Ranch Ehlo Society. Delbert Wapass, Director: Independent – Chief, Thunderchild First Nation, Independent First Nations. Kevin Poock, Director: Independent – Chartered Financial Planner, Battlefords Tribal Council. Ron Martin, Director: Independent – Dentist, Federation of Sovereign Indigenous Nations. Marie Anne Daywalker-Pelletier, Director: Independent – Chief, Okanese First Nation, File Hills Qu'Appelle Tribal Council. Darcy Bear, Director: Independent – Chief, Whitecap Dakota First Nation, Saskatoon Tribal Council. Connie Big Eagle, Director: Independent – Chief, Ocean Man First Nation, Yorkton Tribal Council. Ken Moccasin, Director: Independent – Chief, Saulteaux First Nation, Battlefords Agency Tribal Chiefs. This criterion is met by all current Board members being external Directors (i.e. not managers or employees of SIGA) and by having each Board member complete and sign code of conduct acknowledgement and conflict of interest (COI) disclosure forms. All Directors have completed COI forms on file. Section 1(d) does not apply to SIGA, as SIGA does not have share capital and is not an issuer.	
NP 58-201, Section 3.2		
3.2 The Chair of the Board should be an independent Director who is the effective leader of the Board, who ensures that the Board's agenda will enable it to successfully carry out its duties.	The Chair of the Board is an independent Director who provides leadership in Board organization, processes, effectiveness and renewal and serves as a liaison between the roles of the Board, shareholders and that of President and CEO.	Yes
NI 58-101F1, Section 1(f)		
1 (f) Disclose whether the Chair of the Board is an independent Director; disclose the identity of the Chair and describe the role of the Chair.	Reginald Bellerose, who is an independent Director, assumed the responsibilities of Chair in February 2015. The Chair reports to the Board and ultimately to the shareholders and is responsible for presiding over meetings of the Board and ensuring the Board discharges its fiduciary and legal responsibilities. The Board has developed a Terms of Reference for the Chair in policy B03-012 which can be obtained from SIGA upon request.	Yes

SIGA's Governance Practices

Does SIGA Align?

MEETINGS OF INDEPENDENT DIRECTORS

NI 58-101F1, Section 3.3

3.3 The independent Directors should hold regularly scheduled meetings at which non-independent Directors and members of management are not present.

This criterion is met by all current Board members being external Directors. The terms of reference for the Board/committees require that the Board/committees meet regularly without management present. In-camera sessions are a standing agenda item.

Yes, SIGA substantially meets this requirement.

1 (e) Disclose whether the independent Directors hold regularly scheduled meetings at which members of management are not present, disclose the number of such meetings held in the previous 12 months; if such meetings are not held, disclose what the Board does to facilitate open and candid discussion among independent Directors.

There were six Board meetings held in 2016-2017 and, during each regular meeting, in-camera sessions are a standing agenda item. Board practices that facilitate open and candid discussion allow for open and direct communication on issues that may not be appropriate to discuss with representatives of management.

The Board is satisfied that its governance practices foster full and open discussion and debate and that it retains the independence of mind to make decisions in the best interest of the corporation and the shareholder.

NI 58-101F1, Section 1(g)

1 (g) Disclose the attendance record of each Director for the Board meetings held in the most recently completed financial year.

The Board held a minimum of six meetings in 2016-2017, which included its regularly scheduled Board meetings, a strategic planning session and one special meeting.

Yes

	Meetings Attended*	Total Meetings
Edward Henderson, Director	4	(6)
Reginald Bellerose, Director	6	(6)
Brian Standingready, Director	6	(6)
Carole Bryant, Director	5	(6)
Richard Ben, Director	6	(6)
Delbert Wapass, Director	4	(6)
Kevin Flook, Director	6	(6)
Ron Martin, Director	6	(6)
Marie Anne Daywalker-Pelletier, Director	6	(6)
Darcy Bear, Director	6	(6)
Connie Big Eagle, Director	6	(6)
Ken Moccasin, Director	5	(6)

* For the purposes of this report, members who attended meetings in part were considered to be present. Figures in brackets represent the maximum number for the period in which the individual was a Board member.

BOARD MANDATE

NP 58-201, Section 3.4

3.4 The Board should adopt a written mandate which explicitly acknowledges responsibility for the stewardship of the corporation and responsibility for:

- To the extent possible, satisfying itself as to the integrity of the CEO and executive and that they have created a culture of integrity throughout the organization;
- Adopting a strategic planning process and approving at least annually a strategic plan which takes into account, among other things, the opportunities and risks of the business;
- Identification of the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks.

The Board has adopted a comprehensive written Board mandate, policy no. B03-001 that complies with the elements required in this policy. Specific policies B03-008 Board Member Responsibilities and B03-012 Board Chair – Terms of Reference outline the primary duties and responsibilities of the Board, including the responsibility to function as stewards of the corporation.

Yes

- The corporation has a comprehensive Code of Conduct and Ethics Policy in place for the Board and senior management.
- SIGA has a strategic plan in place for the Authority. SIGA is using a highly regarded model of planning known as the Balanced Scorecard. This performance management tool helps us ensure that operational activities and initiatives are aligned with the objectives of the company in terms of vision and strategy. The Board approved the strategic measures and targets for the company in July 2016. The President reported on those measures on a quarterly basis. The results are also reported on in this annual report.
- The corporation has established an integrated risk management function and the corporate "infrastructure" for the identification and management of the risks that could prevent SIGA from achieving its strategic goals and priorities. The Board delegates this responsibility to the Audit and Finance Committee.

	SIGA's Governance Practices	Does SIGA Align?
NP 58-201, Section 3.4 continued		
(d) Succession planning, including appointing, training and monitoring senior management;	(d) The Board approves succession plans for the President and CEO and senior executive on an annual basis.	
(e) Adopting a communications policy for the corporation;	(e) The Board has a communications policy with processes in place to ensure effective communications with shareholders, stakeholders and the public. The annual general meeting of the members was held in October 4, 2016.	
(f) The integrity of the corporation's internal control and management information systems; and	(f) A principal duty of the Board is to identify principal risks of the business in which the corporation is engaged to achieve a proper balance between risks incurred and potential returns, and to oversee the implementation of appropriate systems to manage the risks. SIGA manages information risks through continual evaluation of the internal controls over financial reporting for new and existing systems.	
(g) Developing the corporation's approach to corporate governance, including a set of principles and guidelines specific to the corporation.	(g) The SIGA Board has formally adopted a governance model with generally accepted governance practices and a suite of corporate governance policies. The Governance Committee is mandated to oversee corporation's governance practices. An audit of the corporation's governance practices is completed every three years.	
NP 58-201, Section 2		
2 Disclose the Board's written mandate.	The Board's written mandate, Policy B03-001, can be obtained from SIGA upon request.	Yes
POSITION DESCRIPTIONS		
NP 58-201, Section 3.5		
3.5 The Board should: develop clear position descriptions for the Chair of the Board and the chair of each committee; together with the CEO, develop a position description for the CEO delineating management's responsibilities; develop or approve corporate goals and objectives that the CEO is responsible to meet.	The Board has adopted specific policies which outline the primary duties and responsibilities of the Board Chair, committee chairs and Board members. The Board has adopted mandates for all standing committees, which outline their specific responsibilities. The Delegation of Authority Policy B05-018, applicable to monetary and non-monetary matters, sets out those matters that require Board approval and delegates other matters to management. The Board annually approves a strategic plan, which includes the corporate objectives and goals (Balanced Scorecard targets) for the upcoming year. The CEO is ultimately responsible to the Board for meeting these goals and objectives. The Board assesses the CEO against these performance targets.	Yes
NI 58-101FI, Sections 3(a) and (b)		
3 (a) Disclose whether the Board has developed written position descriptions for the Chair of the Board and the chair of each Board committee and, if not, describe how the Board delineates the role and responsibilities of each such position.	3 (a) The Board has policies in place that set out the roles and responsibilities for the Board Chair, Vice-Chair and committee chairs. In addition to this, the committees all have written mandates adopted by the Board that delineate the roles and responsibilities of that committee.	Yes
(b) Disclose whether the Board and CEO have developed a written position description for the CEO.	(b) The Board has developed a comprehensive job description for the CEO.	
ORIENTATION AND CONTINUING EDUCATION		
NP 58-201, Sections 3.6 and 3.7		
3.6 The Board should ensure new Directors receive comprehensive orientation and fully understand the role of the Board and committees, the contribution individual Directors are expected to make and the nature and operation of the business.	3.6 The Governance Committee is responsible to ensure whether the proper orientation and continuing education training opportunities are made available to the Board. SIGA management has provided comprehensive orientation training for all the Directors about the business and the industry. SIGA also provides all Directors with online resource and reference materials.	Yes
3.7 The Board should provide continuing education opportunities for all Directors to enhance their skills and abilities and ensure their knowledge of the corporation's business is current.	3.7 The corporation has made available to the Directors the opportunity to participate in education programs such as: The Chartered Directors and the Johnson Shoyama and Brown Governance Inc. Director Certification Program with six of the current Directors having completed the programs. These are comprehensive training programs focusing on best governance practices. All the Directors have participated in an orientation program. On a regular basis, industry experts provide the Board with relevant information related to the gaming industry. A number of the Directors participated in other governance- or industry-related conferences in 2016-2017.	



**CODE OF BUSINESS
CONDUCT AND ETHICS****NP 58-201, Section 3.8**

3.8 The Board should adopt a written code of business conduct and ethics applicable to Directors, officers and employees of the corporation designed to promote integrity and deter wrongdoing. The code should address:

- (a) Conflicts of interest, including transactions and agreements where a Director or officer has a material interest;
- (b) Protection and proper use of corporate assets and opportunities;
- (c) Confidentiality of corporate information;
- (d) Fair dealing with the corporation's security holders, customers, suppliers, competitors and employees;
- (e) Compliance with laws, rules and regulations; and
- (f) Reporting of illegal or unethical behaviour.

3.8 SIGA has developed a written Code of Conduct and Ethics Policy applicable to all Directors, a separate Code of Conduct and Ethics Policy that is applicable to senior management and a Code of Conduct and Ethics Policy applicable to the employees.

Yes

The Directors Policy: Establishes guidelines for conduct required of all Directors of the Saskatchewan Indian Gaming Authority. In addition, each Director must complete a Conflict of Interest Declaration form and a Relationship Declaration form. The declaration forms shall be completed on an annual basis, or more often in the event a potential conflict of interest situation arises. The completed forms are forwarded to and retained on file in the Board Secretary's office. Copies are to be provided to the Governance Committee. Conflict of Interest declarations are completed at every Board and committee meeting.

The President and CEO and Senior Management Policies require that management observe the highest standards of ethical conduct, consistent with the values of integrity, impartiality and discretion, both within and outside the workplace, and to promote a corporate culture in which ethical conduct is recognized, valued and exemplified by everyone.

The President and CEO and all senior managers sign a declaration form upon commencement of employment with SIGA, and sign a Conflict of Interest and a Relationship Declaration form. The declaration forms shall be completed on an annual basis, or more often in the event a potential conflict of interest situation arises. The completed forms are forwarded to and retained on file in the Corporate Solicitor's office and are reviewed with the Governance Committee.

NI 58-101F1, Section 5(a)

5 (a) Disclose whether the Board has adopted a written code of ethical business conduct for the Directors, officers and employees of the corporation; how to obtain a copy of the code; how the Board monitors compliance with the code; and reference any material change report in the most recent financial year relating to any conduct of a Director or officer that constitutes a departure from the code.

5 (a) A copy of the Directors, President and CEO Code of Conduct Policy can be obtained by contacting SIGA.

Yes

The Board Chair and the Governance Committee monitor compliance with the Code of Conduct Policy for the Directors and the President and CEO. The President and CEO monitors compliance with the Code of Conduct Policy for senior management. The Audit and Finance Committee is responsible for: monitoring and reviewing the financial performance and internal controls of the Authority; monitoring, reviewing and ensuring the adequacy of the Authority's risk management policies and procedures; enhancing the credibility and objectivity of the Authority's financial reports; and acting as a communication link between the Board of Directors, the external and provincial auditors and the internal auditor. The mandate of the Audit and Finance Committee shall be tabled at the annual general meeting for review by the members. The Governance Committee shall review the Authority's overall compensation programs and recommend compensation for the President and CEO and senior executive, and ensure that the overall compensation structure provides appropriate incentives to management and employees at all levels.

NP 58-201, Section 3.9

3.9 The Board should monitor compliance with the code and any waivers granted for the benefit of Directors and executive officers should be granted by the Board or committee. Any waivers for a material departure from the code for any Directors or officers should disclose full details of the material change.

3.9 The Governance Committee is responsible to receive and consider directors and managers Conflict of Interest and Relationship Declaration Forms.

Yes

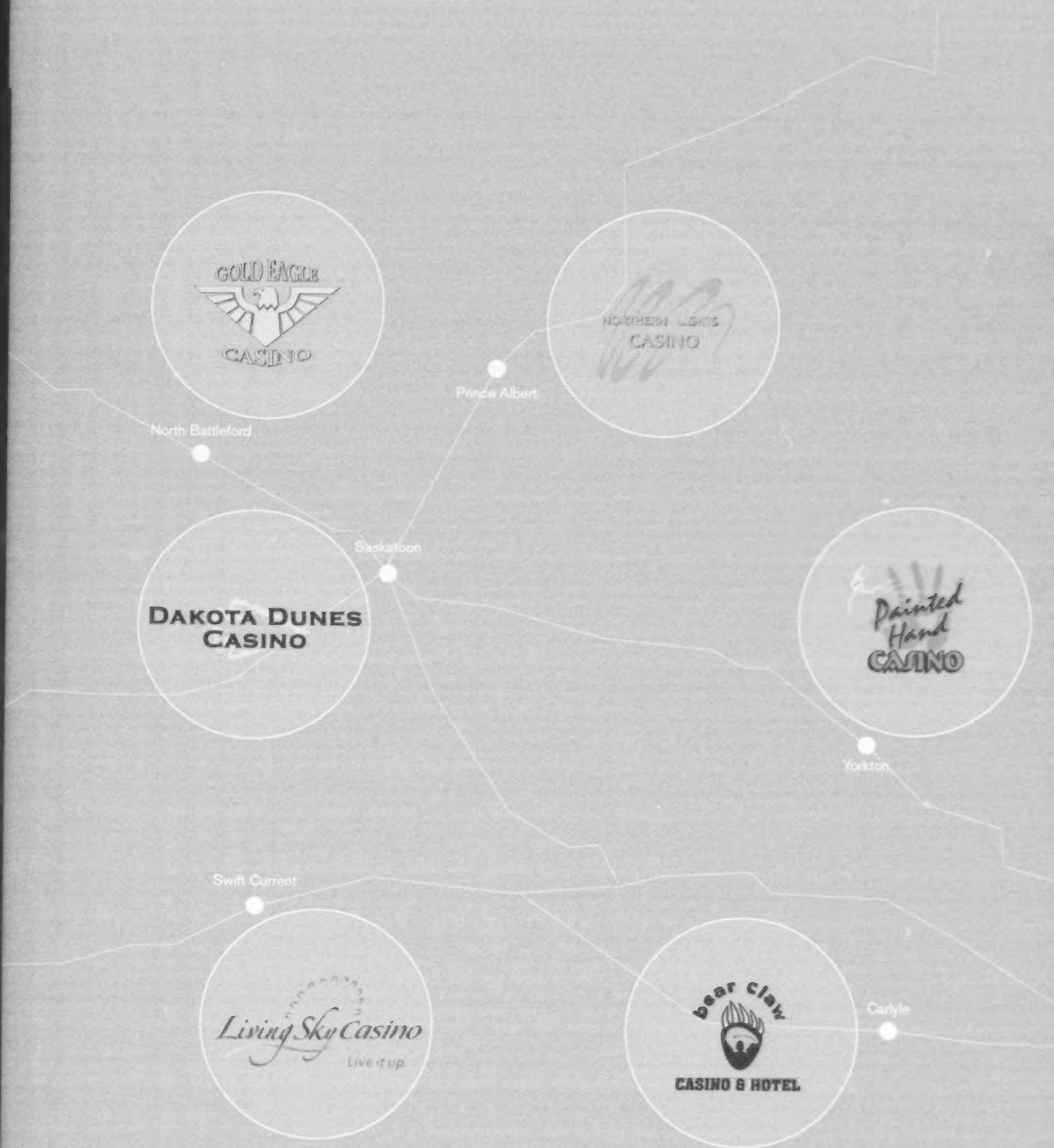


	SIGA's Governance Practices	Does SIGA Align?
NI 58-101FI, Sections 5(b) and (c) 5 (b) Describe steps the Board takes to ensure Directors exercise independent judgement in considering transactions and agreements where a Director or officer has a material interest. (c) Describe other steps the Board takes to encourage and promote a culture of ethical business conduct.	5 (b) SIGA has a written Code of Conduct Policy applicable to all Directors. The corporation has a Director's Conflict of Interest Policy meant to protect the Authority's interest by outlining guidelines for the Authority's Board which ensures that a conflict of interest does not exist or appear to exist. The corporation has a Disclosure of Wrongdoing Policy in place and, to further support that, the Board has implemented an employee hotline that is independently operated. The hotline provides a means for employees to report allegations of serious wrongdoing and identify situations where wrongdoing is or has occurred so it can be eliminated.	Yes
NOMINATION OF DIRECTORS		
NP 58-201, Section 3.10 3.10 The Board should appoint a nominating committee composed of entirely independent Directors.	As identified in the by-laws of the corporation, the Board structure will be comprised of no more than 13 Directors. The Federation of Sovereign Indigenous Nations and the Tribal Councils appoint twelve of these Directors (one per Tribal Council) with the SIGA Board appointing one independent Director with financial expertise. All appointments are ratified by the Federation of Sovereign Indigenous Nations' Legislative Assembly. The SIGA Board has undertaken the responsibility of developing a skills profile for its Board members. It is distributed to all shareholders for their use as criteria to base their nomination/selection of Directors.	N/A
COMPENSATION		
NP 58-201, Section 3.15 3.15 The Board should appoint a compensation committee composed entirely of independent Directors.	3.15 The Board has appointed a Governance Committee of entirely independent Directors who are responsible for compensation matters.	Yes
NP 58-201, Section 3.16 3.16 The compensation committee should have a written charter establishing the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure, operations (including any authority to delegate to individual Directors or subcommittees) and manner of reporting to the Board. In addition, the compensation committee should be given authority to engage and compensate outside advisors necessary to permit it to carry out its work.	3.16 The Governance Committee responsibilities include: Annually review and monitor senior executive contracts, compensation and benefits program and recommend changes where appropriate. Ensure there are ongoing executive development programs that help promising individuals within the organization develop the critical skills identified in the succession plan. Annually review the administration of all management and staff benefits and compensation plans to ensure conformity with approved policies. Review on a regular basis the mechanisms that management has in place for employee recruitment and monitor the retention of employees with a process for monitoring risk. Based on the CEO evaluation results, the Governance Committee reviews and makes recommendations to the Board regarding the CEO's compensation.	Yes
NP 58-201, Section 3.17 3.17 The compensation committee should be responsible for: reviewing and approving corporate goals and objectives relevant to CEO compensation; evaluating the CEO's performance in light of those corporate goals and objectives, and determining the CEO's compensation level based on the evaluation; making recommendations to the Board respecting non-CEO, officer and Director compensation; incentive-compensation plans and equity-based plans; and reviewing executive compensation prior to public disclosure.	3.17 The Board evaluates the performance of the President and CEO annually. The Governance Committee oversees the evaluation of the President and CEO. The evaluation results are reported in writing to the Board. The President and CEO is evaluated based performance targets and measures laid out in the strategic plan, and for complying with management limitations policies prescribed by the board. The results of the CEO's performance are approved by the full Board. The President and CEO evaluation is scheduled to be completed in July 2017.	Yes



	SIGA's Governance Practices	Does SIGA Align?
BOARD ASSESSMENTS		
NP 58-201, Section 3.18		
3.18 Each individual Director should be regularly assessed regarding his, her or its effectiveness and contribution. An assessment should consider:	3.18 The Board, committees, and the Chair evaluation occur on a two-year cycle. The evaluations were conducted by Dr. Bob Kayseas, an external consultant, and were completed in February 2017. The Board and its committees review their terms of reference annually. The Board have developed a skills matrix that will be used for future planning.	Yes
(a) In the case of the Board or a Board committee, its mandate or charter; and		
(b) In the case of an individual Director, the applicable position description(s), as well as the competencies and skills each individual Director is expected to bring to the Board.		
NI 58-101FI, Sections 7(a) and (b)		
7 (a) Describe the process by which the Board determines compensation for the Directors and officers of the corporation.	7 (a) The corporation has developed a number of policies to help determine rates for Director compensation. Directors will be compensated for serving on SIGA's Board through a combination of retainer fees and per diems. Directors will be reimbursed for travel and business expenses in accordance with Corporate Policy No. B03-017 Travel and Business Expenses (Board members). The monitoring of compensation for Directors is the responsibility of the Governance Committee, which reviews this on a bi-annual basis. The Board determines compensation by retaining the services of an external consultant to complete a market survey using industry standards.	Yes
(b) Disclose whether the Board has a compensation committee composed entirely of independent Directors and, if not, describe the steps the Board takes to ensure an objective process for determining such compensation.	(b) Board members receive the following retainer fees on an annual basis to be paid in quarterly installments: Board Chairperson \$20,000; committee chair \$16,000; Director \$12,500; with meeting fees at \$700.	
NI 58-101FI, Section 7(c)		
7 (c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the committee.	7 (c) The Governance Committee serves as SIGA's compensation committee. This is a standing committee and serves as an advisory committee appointed by the Board. The committee's core responsibilities are identified above.	Yes
NI 58-101FI, Section 7(d)		
7 (d) If a compensation consultant has been retained at any time during the corporation's most recently completed fiscal year, to assist in determining compensation for any of the corporation's Directors and officers, disclose the identity of the consultant and briefly summarize their mandate. If retained to perform any other work, state that fact and briefly describe the nature of the work.	(d) The Board did not retain the services of compensation consultant services in 2016-2017.	
OTHER BOARD COMMITTEES		
NI 58-101FI, Section 8		
8 If the Board has standing committees of the Board, other than audit, compensation and nominating committees, identify the committees and describe their function.	The SIGA Board has appointed the following standing committees to conduct the business of the corporation: Governance Committee, Audit and Finance Committee and the Strategic Affairs Committee. All committees have comprehensive mandates that meet the policy requirements. All committee mandates are available upon request from SIGA.	Yes

SIGA Casino Locations



BEAR CLAW CASINO & HOTEL

White Bear First Nation
Near Carlyle
306.577.4577

DAKOTA DUNES CASINO

Whitecap Dakota First Nation
Near Saskatoon
306.667.6400

GOLD EAGLE CASINO

Mosquito First Nation
North Battleford
306.446.3833

LIVING SKY CASINO

Nekaneet First Nation
Swift Current
306.778.5759

NORTHERN LIGHTS CASINO

Peter Ballantyne Cree Nation
Prince Albert
306.764.4777

PAINTED HAND CASINO

Kahkewistahaw First Nation
Yorkton
306.786.6777

SIGA.SK.CA

SIGA CENTRAL OFFICE

250-103C Paddam Ave
Saskatoon, SK
S7N 4K4
306.477.7777

